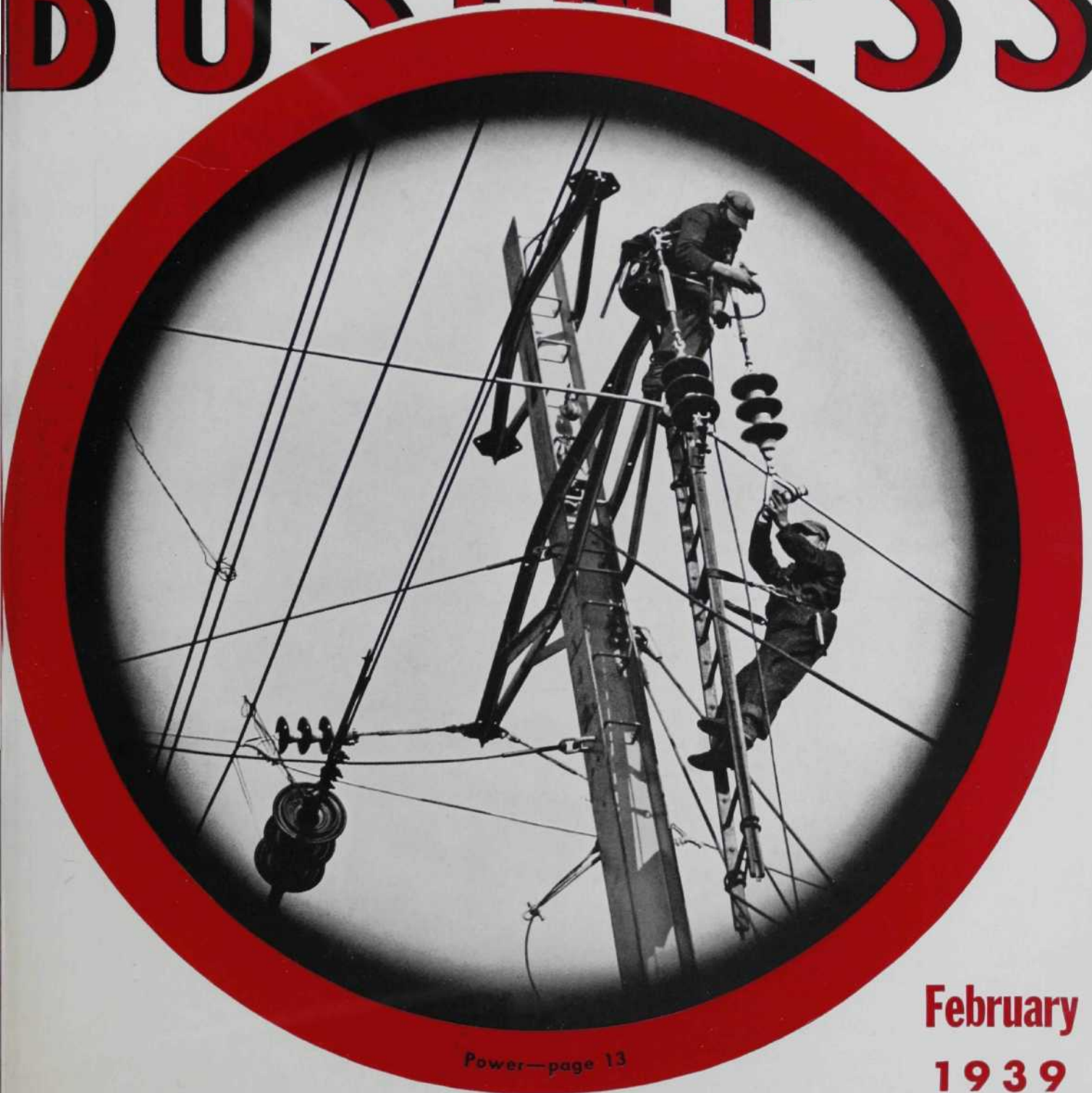


NATION'S BUSINESS



Power—page 13

February
1939

Government Strike Insurance for Unions • A Chamber That Helps Its Members Make Money • Legislating the Marginal Worker Out of a Job



60

HOURS BY PIGEON POST...

SECONDS BY TELETYPE

ONCE carrier pigeons were the fastest means of delivering important business dispatches. If the birds were beset by bad weather, messages might be delayed many hours. . . . Today, written business messages are carried on wings of electricity, by Bell System Teletypewriter Service!

By Teletypewriter Exchange Service, for example, it usually takes about sixty seconds to reach a customer in the next city or across the country. Then the message is typed on the sending machine and is *simultaneously* reproduced in typewritten form by the receiving machine. Contact is two-way — provides accurate copies of every word exchanged.

Teletypewriter Exchange Service and Bell System Private Line Services are effecting new efficiencies every day in businesses of every kind. A thorough survey made by Bell System representatives and your own people may show how you can improve your existing communication system. The survey costs nothing, involves no obligation—and it may lead to the saving of many dollars. Why not call your Telephone Office today and say you would like to talk it over?



We Put More Into Plymouth

YET PRICES ARE LOWER

1. Of the three leading low-priced cars, this big 1939 Plymouth is 6 inches longer than one...5 inches longer than the other.

2. New Amola Steel Coil Springs.

3. Streamlined Safety Headlamps.

4. All Plymouth models have the same big, 82-horsepower "L-head" engine, giving full power and record economy as well.

5. Perfected Remote Control Shifting with Auto-Mesh Transmission.

6. New True-Steady Steering.

7. "Safety Signal" Speedometer.

EASY TO OWN... your present car will probably represent a large proportion of Plymouth's low delivered price... balance in low monthly instalments.



THE NEW 1939 PLYMOUTH "ROADKING" Two-Door Touring Sedan with time-proven hydraulic brakes and Safety-Steel body!

STANDARD EQUIPMENT on "De Luxe" models at no extra cost—Perfected Remote Control Gear Shifting with All-Silent Auto-Mesh Transmission. Marvelous new shifting ease. Nothing new to learn!



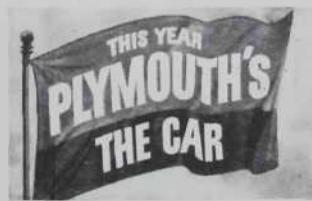
INCLUDED IN LOW PRICES:

"Detroit delivered prices" include front and rear bumpers, bumper guards, spare wheel, tire and tube, foot control for headlight beam with indicator on instrument panel, ash-tray in front and rear, sun visor, safety glass and big trunk space (19.6 cubic feet). Plymouth "Roadking" models start at \$645; "De Luxe" models slightly higher. Prices include all federal taxes. Transportation and state, local taxes, if any, not included. See your Plymouth dealer for local delivered prices. PLYMOUTH DIVISION OF CHRYSLER CORPORATION, Detroit, Michigan.

TUNE IN MAJOR ROWES' AMATEUR HOUR, C.B.S. NETWORK, THURS., 9-10 P.M., E.S.T.

PLYMOUTH BUILDS GREAT CARS

NEW "ROADKING"
NEW "DE LUXE"





DIESEL F-M DIVIDENDS

Recreation
...WITHOUT TAXATION!

Many cities and towns throughout the United States have completely financed the construction and equipment of city parks—*without* additional *tax levy*. How? With surplus earnings from their Fairbanks-Morse Diesel-driven power and light plants. Other communities have used these “dividends” to build sidewalks, recreational centers, for new fire-fighting equipment, street lighting, sewage disposal plants, and other civic improvements.

The average tax rate of the 503 towns which get their light and power from Fairbanks-Morse Diesel-driven generating plants is lower than that of neighboring communities of comparable size. Their light

and power rates average considerably less—many of them have levied *no capital tax whatever* since Fairbanks-Morse Diesels went to work for them.

As America's largest manufacturer of Diesel engines, Fairbanks-Morse offers your city: first—a plan whereby the F-M Diesel generating equipment you purchase can soon pay for itself; second—the thoroughgoing co-operation of Fairbanks-Morse engineers with your city engineers, consulting engineers, and city officials; third—the broadest Diesel experience in the world, backed by the century-old organization of Fairbanks-Morse.

Address inquiries to Fairbanks, Morse & Co., Department 120, 600 S. Michigan Ave., Chicago, Ill. 36 branches and service stations throughout the United States.

7495-DA-60,140

FAIRBANKS **D** **MORSE**
Diesels

DIESEL ENGINES
PUMPS
ELECTRICAL MACHINERY
FAIRBANKS SCALES
RAILROAD EQUIPMENT

WATER SYSTEMS
WASHERS-IRONERS
FARM EQUIPMENT
STOKERS
AIR CONDITIONERS



Illustrating a chapter in the history of California..



Condensed Statement of Condition Dec. 31, 1938 Bank of America National Trust and Savings Association

RESOURCES

Cash in Vault and in Federal Reserve Bank	\$ 166,333,489.77
Due from Banks	113,835,809.49
Securities of the United States	
Government and Federal Agencies	412,278,313.07
State, County and Municipal Bonds	102,975,352.36
Other Bonds and Securities	39,678,762.88
Stock in Federal Reserve Bank	2,700,000.00
Loans and Discounts	673,828,309.03
Accrued Interest and Accounts Receivable	1,750,995.60
Bank Premises, Furniture, Fixtures and Safe Deposit Vaults	35,531,683.59
Other Real Estate Owned	3,865,279.79
Customers' Liability on Account of Letters of Credit, Acceptances and Endorsed Bills	20,538,921.68
Other Resources	1,404,752.25

TOTAL RESOURCES \$1,574,721,669.51

LIABILITIES

Capital	\$ 50,000,000.00
Surplus	42,000,000.00
Undivided Profits	22,058,599.85
Reserves	2,771,761.76
Liability for Letters of Credit and as Acceptor, Endorser or Maker on Acceptances and Foreign Bills	20,863,816.97

DEPOSITS:

Commercial	\$615,216,151.04
Savings	821,811,339.89
TOTAL DEPOSITS	1,437,027,490.93

TOTAL LIABILITIES \$1,574,721,669.51

This statement includes the figures of the London, England, banking office: 12 Nicholas Lane, E.C. 4.

The Golden Gate International Exposition which opens February 18, 1939, celebrates the completion of the Golden Gate Bridge and the San Francisco-Oakland Bay Bridge—the two largest bridges in the world. The Fair closes December 2, 1939.

The Bank of America branch shown is a complete banking office on the Fair grounds on Treasure Island.



...a page in the story of Bank of America

Nineteen hundred thirty-nine...a long road has been traveled since Commander Montgomery claimed California for the Union...a long road since Bank of America was founded as a small neighborhood bank in San Francisco.

Now California...and Bank of America...each with a rich tradition of pioneering to look back upon, might well pause to survey the progress made.

And so California—with a great Fair on magical Treasure Island—"illustrates" a chapter in its history.

And so Bank of America—whose deposits and resources, as shown in its current Statement of Condition, reach a new high—participates in that Fair by building a complete banking office on the Fair grounds in the center of San Francisco Bay.

Bank of America invites you to come to the Golden Gate International Exposition. Bank of America invites Eastern bankers and business executives who have an interest in California to visit the head offices of Bank of America in San Francisco or Los Angeles. California's great Fair has attractions that will interest everyone. Bank of America has a story of service that will interest you.

THE "BANK OF AMERICA BUSINESS REVIEW," a monthly publication, contains comparative indices of business activity on the entire Pacific Coast with special studies of various industrial classifications. This monthly publication will be sent upon request to bankers and business executives.

Bank of America

NATIONAL TRUST & SAVINGS ASSOCIATION

CALIFORNIA'S ONLY STATEWIDE BANK



Government Strike Insurance for

By RUSSELL L. GREENMAN



Employers are forced to play a game with the rules uncertain

WILL the 1937 strike epidemic be repeated? The answer depends on Congress. Here is why

Almost at the end of the Wagner Act this provision appears:

Nothing in this Act shall be construed so as to interfere with, impede or diminish in any way the right to strike.

Encouraging strikes

NO part of the Act has been taken more seriously by the Labor Relations Board. Two members of the Board have taken this particular provision so seriously that its chairman, J. Warren Madden, expressed the following opinion about one of its decisions:

I think the decision amounts to a holding that an employer whose employees have struck, not as a result of any unfair labor practice on the part of the employer, is legally obliged to close his plant for an indefinite time while he negotiates with the strikers for their return to work. I see no such provision in the statute. If it is successfully read into the statute, it will have the effect of inducing unions to call strikes without first taking careful

stock as to whether their economic power is sufficient to bring the employer to their terms.

This language appeared in his dissenting opinion in the case of a wall paper company which the majority of the Board held guilty of violating the law. The management of this company had refused to yield to certain demands of a labor union with which it was then bargaining and with which it had had agreements for 40 years. The management's counter proposals did not satisfy the union.

Negotiations broke down when the union issued an ultimatum to the effect that, unless the management met its demands, it would call a strike. The management in turn announced that, unless the union accepted its proposals, the strikers would be replaced by other men. Both parties made good. The union called a strike, and the company hired new employees. By a two to one

“**W**AIT UNTIL business really picks up, wait until the company begins to show a profit—then we'll show 'em!’”

This has been the theme song of many union organizers for nearly a year. What does it mean? Simply this:

As soon as there is any chance of success, they will seek wage increases, shorter hours, other adjustments in terms of employment—in fact, anything to demonstrate to members and prospective recruits their ability to produce some return on the investment in union dues.

Does this mean a repetition of the 1937 strike epidemic? Perhaps! Whether strikes again become prevalent or not depends largely on how much support the Government gives the unions.

It might be supposed that the Government would be in favor of labor peace. In its traditional role of umpire, the Government used to try to prevent strikes. In fact, one government agency—the Conciliation Service of the Labor Department—has this express function. Then, too, for three years and a half a federal act “to diminish the causes of labor disputes” has been on the statute books. At least that is what the statute says its purpose is. However, one has to look through the entire text of this law, known as the Wagner Act, to determine its real purpose.



As soon as there is any chance for success, the unions will show that they can

Unions

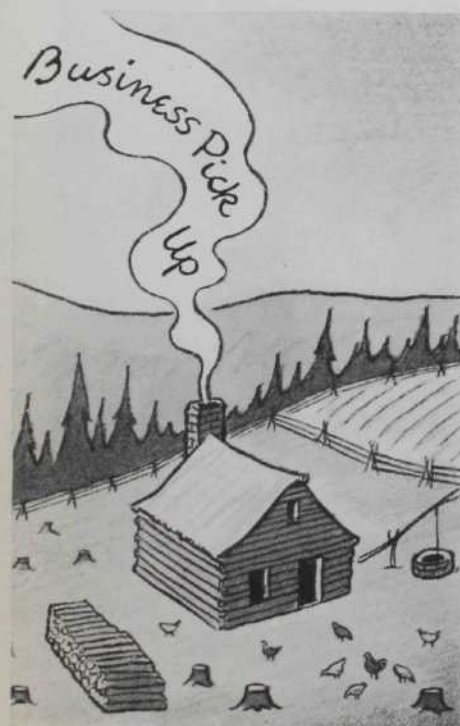
vote, the Board ordered the management to resume bargaining with the union and to restore the strikers' jobs.

The Board order was equivalent to requiring the management to fire all employees hired since the strike began, if necessary to provide jobs for the union men. The fact that three of the new employees had been guaranteed a year's work did not matter to two members of the Board. Nor was the Board satisfied on learning that the company had offered to the union all that it still had to offer after the strike—jobs for some of its members, and a promise of jobs for others as vacancies occurred.

Guarantee of jobs

THROUGH this decision, the Board gave a broad hint to labor unions generally that, if their bargaining with an employer was not going well, they could call a strike and their members could still get their jobs back if they lost.

This is not the only Board decision that has had the net result of encouraging unions to call strikes instead of



produce some return for members' dues

NATION'S BUSINESS for February, 1939

Contents for February 1939

PAGE

Government Strike Insurance for Unions 4

By RUSSELL L. GREENMAN

Radio's Growing Pains 17

By HERBERT COREY

The Plight of the Marginal Worker 20

By EDWARD S. COWDRICK

Science is Streamlining Tony the Barber 24

By A. G. HOLTZMAN AND JESSE STECHEL

A Chamber Sells Nationally 27

By HERBERT M. BAUS

Big Business for Little Men 33

By GEORGE SYLVESTER VIERECK

We Tried to Build a Business 44

By HELEN AGIN GORDON

A Numbers Game We All Play 55

Evansville Puts Its House in Order 59

By EDWIN FISHER FORBES

The Regular Features . . .

The Catch in "Cooperation" By MERLE THORPE . . . 15

Business Men Say 23

Washington and Your Business By HERBERT COREY . . . 29

No Business Can Escape Change 32

The Map of the Nation's Business By FRANK GREENE . . . 38

Leaders in the March of Business 40

Gleanings from the Markets 51

Man to Man in the Money Market By CLIFFORD B. REEVES . . . 52

Shake Hands with Our Contributors 74

Through the Editor's Specs 76

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE U. S.

VOLUME 27

Merle Thorpe, Editor & Publisher

NUMBER 2

Managing Editor, RAYMOND C. WILLOUGHBY; Business Manager, LAWRENCE F. HURLEY; Director of Advertising, Orson Angell.

GENERAL OFFICE—Washington, U. S. Chamber Building. BRANCH OFFICES—New York, Graybar Bldg. San Francisco, 433 California Street. Dallas, 1101 Commerce St. Chicago, First National Bank Building. Atlanta, Chamber of Commerce Building. As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

BUSINESS DEPENDS ON MONROE FOR FIGURES

Day in and day out, Monroe machines are producing the greatest number of accurate answers in the least time—that's why business has adopted them so universally. And "Velvet Touch" easy action is a real boon to the men and women who are operating Monroes—it relieves them of all strain and speeds up their daily work.



CHOCOLATE . . All the General Foods divisions are large users of Monroe machines. The great Walter Baker chocolate factory in Dorchester, famous since 1780, uses a large number of L.A. model adding-calculators and a grand total adding-listing machine.



COSMETICS . . Beauty is a big industry and figure work mounts up. Lehn & Fink use Monroes, both adding-calculators and listing machines, in the Dorothy Gray division and in the other divisions of their business.



BAKELITE . . A pioneer in the great plastic industry, Bakelite Corp. keeps abreast of its figure work in its Bound Brook, N. J. factory and its New York office with Monroes, both adding-calculators and adding-listing machines.



STURDINESS . . The Autocar Company bought its first Monroe adding-calculator more than eighteen years ago. During all this time, engineering, sales, purchasing, payroll, and a multitude of other figures have been speeded up and simplified by Monroe machines and methods.



MODERN . . The new A1 Monroe Adding-Calculator is the last word in figuring machines. Completely automatic. "Split-Second" multiplication. Automatic dials clearance and carriage shift. "Velvet Touch" easy action. Quiet. Simple.

A MONROE FOR
EVERY FIGURE JOB

ADDING-CALCULATORS
LISTING MACHINES
BOOKKEEPING MACHINES
CHECK WRITERS
CHECK SIGNERS

MONROE

CALCULATING MACHINE COMPANY, INC.

GENERAL OFFICES • ORANGE, N. J.

Monroe Calculating Machine Company, Inc.
General Offices, Orange, New Jersey

Please send free booklet, "Two Answers for One"

Name

Firm

Address

MORE THAN 150 MONROE-OWNED BRANCHES SERVE AMERICAN BUSINESS

trying to adjust controversies by genuine collective bargaining.

Sit-down strikes, for example, received the Board's blessing early in 1936—nearly a year before the wave of sit-downs. Evidently the Board did not want to give the impression that it was endorsing sit-downs as such. So it used a more euphonious expression. In one of its earliest decisions, the Board referred to two different sit-downs in a New England aircraft manufacturing plant as "stoppages." Since the first of these stoppages occurred before the Labor Relations Act was passed, the Board could do nothing about it. The second took place several months after the Act became operative. This stoppage, the Board solemnly ruled, was a

concerted action for mutual aid and protection, an exercise of the right expressly guaranteed employees in Section 7 of the National Labor Relations Act.

Indeed, the Act does guarantee to employees the right to engage in concerted activity for the purpose of collective bargaining for mutual aid or protection. Moreover, the Act makes it illegal for employers to interfere, restrain, or coerce employees in the exercise of these rights. Does this mean that organized groups of employees have an absolute right to do anything which they consider is of mutual aid? Does it mean that, if a group of employees think they are advancing their own interests by burning down their employer's plant, they can do so with impunity? Does it mean that an employer can take no steps to protect his plant and equipment from destruction by two or

more employees acting in concert for some object that they think is meritorious?

The line must be drawn somewhere. Drawing it is one of the Board's duties because the Wagner Act gives it power to decide what kinds of conduct by employers are illegal. The law is silent, however, as to the obligations of employees or their agents. But, so the Board has repeatedly asserted, it has the right and duty to look into all the circumstances of a labor controversy to determine whether or not the Wagner Act has been violated.

Sidestepping state law

FOR the purposes of this Act, at least, the Board has considered that certain forms of conduct by employees are justifiable or at least excusable, even though they may be illegal under other statutes.

In the case of the New England aircraft plant, however, the Board neatly sidestepped the issue of whether or not a state law had been violated. The company had contended that the management was under no obligation to take back the employees who had participated in the "stoppage" because their conduct had amounted to "acts of insubordination and unlawful and criminal trespass in violation of the general statutes of the State of Connecticut." The Board dismissed this contention, saying

it is difficult to perceive under what authority either the Board or its trial examiner may determine, upon evidence heard in one of its own proceedings, that



Just Relax and Ride!

YOUR cares melt rapidly away as you sink into one of the deeply cushioned, individually reclining seats on the modern Luxury Coaches of The Pocahontas and The Cavalier—completely air-conditioned Norfolk and Western passenger trains between the Midwest and the Virginia Seacoast. Here's comfort and safety to be found in no other form of travel.

Your trip is worry-free. No dirt or soot to spoil your clothes. No jolting or swaying, but a smooth, pleasant ride over miles of carefully safeguarded, well-kept track. No inconvenience of crowding. Plenty of room to stretch your legs. Naturally, you arrive rested and refreshed . . . on time!

The attractive dining cars and fully equipped sleeping cars on The Pocahontas and The Cavalier add distinctive enjoyment to your trip. Next time go the modern way—by train—then "just relax and ride!"



NORFOLK AND WESTERN
Railway



The Government adroitly hog-ties one adversary and then invites the other to use almost any tactics it can think of



"IT'S like this, Betty. Some pipe lasts longer than others. In our town the water mains are cast iron pipe and most of them were put down when father was a boy. If they had to be replaced today, we and other taxpayers would have to share the cost, which would be plenty. But we save those extra tax dollars because cast iron pipe serves for more than a century. I'm sure glad they're using it for this new extension."

* * *

Water mains represent about one-third of this country's 5-billion-dollar investment in public water supply systems. More than 98% of these mains are cast iron pipe with a *known* useful life at least double the *estimated* life of other water

main materials. Because the tax-saving, through deferred replacements alone, is enormous, cast iron pipe is known as Public Tax Saver No. 1. It is the only ferrous metal pipe, practicable for water, gas and sewer mains, which rust does not destroy. Made in diameters from 1¼ to 34 inches.



Unretouched photo of cast iron water main installed in New York City more than 100 years ago and still in service.

CAST IRON PIPE

PUBLIC TAX SAVER NO. 1

THE CAST IRON PIPE RESEARCH ASS'N, T. F. WOLFE, RESEARCH ENGINEER, PEOPLES GAS BLDG., CHICAGO

a state criminal statute has been violated.

Of course, the Board would be quick to point out that its brief statement of its conclusions might be misleading. Now the record in Board cases usually covers hundreds of pages. The Board itself has to do a selective job of summarizing in its final decision. This particular decision ran to some 20 printed pages. The Board recited in detail the events leading up to the stoppage. But the really pertinent facts can be briefly stated.

The stoppage was called in protest against the lay-off of eight employees because of slack business. Of these eight, five were union members. The union shop committee was notified in advance of the prospective lay-off and at once protested to the management. After several conferences between the committee and the manager, the committee was notified that the lay-off would stand. The same afternoon work was stopped at the instigation of the union. The stoppage was about 80 to 90 per cent effective, the Board decision indicated. Thereupon, the plant foremen, acting under instructions previously given as a result of an earlier sit-down, notified employees to resume work in 15 minutes. The foremen warned the men that unless they did so, they would be fired. The participants in the disturbance, however, stayed in the plant without working until the end of the shift.

A sample decision

THE next week most of the union members who had engaged in the stoppage were rehired but many of the union leaders and officers were not. The Board concluded that 18 of these had been illegally "disemployed and severed from their employment, either by being forced to quit or by being discharged on the date of the stoppage."

The Board ordered the company not only to reinstate these men immediately but to pay them sums equivalent to their losses in earnings while they were laid off.

It may be said that these decisions were not typical; that they were issued when the Board was just feeling its way, and that they did not serve as precedents.

Yet it is hard to argue convincingly that the Board's attitude toward strikes had no connection with the conflagration of labor disturbances in 1937.

Even though the Board is supposed to be a quasi-judicial body, its members have expressed their views on all sorts of controversial questions, including the righteousness of strikes in general. For example, in May, 1937,

board member Edwin S. Smith devoted much of a public address to an elaborate argument against governmental restrictions on union activities. Among other things he declared that industrial conflict was fundamentally imbedded in the capitalistic system, and would continue. He went on:

I believe altogether too much emphasis is laid on the losses and discomfort sustained by the public as the result of strikes. The proposition is usually so naively stated as to convey the idea that strikes mean a net loss all around with the public the chief victim. Actually in so far as successful strikes mean that the workers, who are decidedly the underdogs in our scheme of things, are benefited in their purchasing power and their standard of living, the general public and our whole economic structure are the gainers. The argument is often made that strikes mean raising prices as well as wages and that no advantage accrues to the public or the workers from them. Those who hold this view might as well declare that all raising of wages by strikes or otherwise is a negative step that cannot improve the lot of workers. Yet this is apparent nonsense. We may need legislation to see that increased wages are not entirely compensated for by increased prices but are taken in part at least from overinflated profits.

If in fact our economic structure is economically and socially unbalanced by a disproportionate return to capital, public interest would certainly seem to demand that no obstacles be placed in labor's path when it attempts to redress the balance by using its economic power.

There are many strikes which become bogged down because labor is not strong enough to enforce its demands. Such strikes drag along to the accompaniment of much misery and no benefit to anyone. Frequently, governmental mediation can do much to terminate such strikes in a fashion that gets the workers something if only a return of their jobs on the basis of the *status quo*.

Its friends imply that the Labor Relations Board should be given credit for the decrease in strikes in 1938.

If, however, the Board is to receive credit for that, should it not also be blamed for the prevalence of strikes in 1937?

As a matter of fact, changes in the general volume of business activity in 1937 and 1938 had much to do with the variation in the number of strikes. But governmental policies do influence strike trends.

The Department of Labor concedes this. After studying the general trend of strikes over 50 years that Department points out:

The trend of strikes since 1881 indicates a general tendency to follow the business cycle. In the main, strikes tend to diminish when business activity declines and job opportunities disappear. Business recovery is generally accompanied by revival of trade-union activity and industrial disputes. However, this relationship does not occur with year-to-year regularity. There has been less strike activity in some years of business prosperity than in depression years. For instance, in 1894 more persons were involved in strikes

THE MAHOUT OF A MILLION HORSEPOWER

The elephant *could* crush his driver. Only the mahout's skill keeps the threat of his titanic power in bounds.

Likewise, for 72 years, Hartford Steam Boiler has helped industry keep its millions of horsepower from going on the rampage.

Pioneer American engineering insurance company, Hartford brings to its job the experience born of 13,000,000 inspections, made over 72 years. It is master of one exacting trade: the single business of guarding against loss from accidents to power. Each of its more than 400 field inspectors is a specialist, shrewd not only to detect, but to deflect looming disaster, and to prolong the usefulness of valuable equipment.

When accidents do occur, as they sometimes will despite all efforts to thwart them, Hartford Steam Boiler insurance protects its policyholders. But, better still, Hartford devotes a large part of each premium dollar to inspection: its characteristic "ounce of prevention." Hartford's home-office engineering staff, field force, research make common cause, as one, against power-plant rack and ruin.

Ask your agent or broker how Hartford helps you hang on to your profits.



THE HARTFORD STEAM BOILER
INSPECTION
AND INSURANCE COMPANY
HARTFORD, CONNECTICUT

Baa, baa, black sheep

Have you any wool?



Two brothers were given two lambs each. One brother turned his lambs into chops and presently had nothing. The other brother kept his lambs . . . With care and good management, they grew and multiplied into a flock of sheep. Now he has wool with which to clothe his family, extra chops for all to eat and a sound reserve to meet his every debt.

THERE you have the principle that underlies the dependability of the fire insurance that you buy . . . through a local agent or broker . . . from a capital stock* fire insurance company. Why is this principle of conserving capital so important in fire insurance?



Unlike the human death rate, the ravages of fire are uncertain. While a life insurance company can closely forecast its obligations, a fire insurance company cannot predict the occurrence of a series of big fires . . . or a devas-

tating conflagration. Therefore, the capital stock fire insurance companies follow the sound practice of maintaining ample surpluses with which to meet abnormal claims.

Like the prudent brother, these companies husband their "sheep." Beginning with paid-in capital and surplus supplied by stockholders, they keep investing and re-investing their assets. From such investments comes "wool"



to help pay exceptional fire losses—mayhap some sheep must be sold—but over the years their flocks grow, ever providing stronger guarantees behind policy promises. That is the principle that maintains "standard protection"

for American property-owners. That is the principle that enables these companies to maintain a continuous campaign of loss-prevention . . . with these results: human life and property are safer and the average rates for standard protection are today lower by over 40 percent than thirty years ago!



THE NATIONAL BOARD OF FIRE UNDERWRITERS
85 John Street, New York
Established 1866

*CAPITAL STOCK COMPANY FIRE INSURANCE

provides sound protection at a predetermined price, without risk of further cost. In addition to legal reserves, its policies are backed by cash capital and surplus funds set aside to meet not merely normal claims but also the sweeping losses due to conflagrations and other catastrophes. Its organized public services are national in scope. Its system of operating through Agents everywhere gives prompt personal service to policyholders.

than in the relatively prosperous years preceding the depression of the 1890's. During the 1927-29 period there were fewer strikes than during the depression of 1920-21, or even the prolonged depression of 1893-98. It would appear that other conditions such as the political situation, the state of mind of the workers, and the type of labor leadership have as much to do with the amount of strike activity as the purely economic factors of prices and business conditions.

What then about the strike activity in 1937 when there were more man-days of idleness due to strikes (28,450,000) than in any other year for which comparable data are available?

Of course this question cannot be answered authoritatively but it seems reasonable to assume that the public statements of board members and

their official decisions have carried some weight with union leaders and their followers; for, in many instances, union leaders have struck first and bargained afterwards, confident of board protection whether they won or lost.

Violence does not matter

INDEED, as construed by the Board, the Wagner Act requires it to protect workers against the consequences of their recklessness. That the recklessness may extend to the point of violence is of no concern to the Board. This was made clear in an important decision handed down in April, 1936.

Specifically, the Board held that the management of a Connecticut cloth-

How Congress Can Help Business

WHAT CONGRESS can do to relieve business of restrictions which are holding it back was recently pointed out by George H. Davis, president of the Chamber of Commerce of the United States, in a joint broadcast with William Green, president of the American Federation of Labor, as follows:

Congress could repeal the laws that make heads of bureaus rule-makers, prosecutors and judges—and not compel business men to try and discover from the morning papers the latest regulations under which they may operate their business that day.

Congress could repeal the section of the Commodity Exchange Act which allows a bureau in Washington to restrict the amount of grain a trader may buy for future delivery, and thereby enable the farmer to get a fair price for his grain.

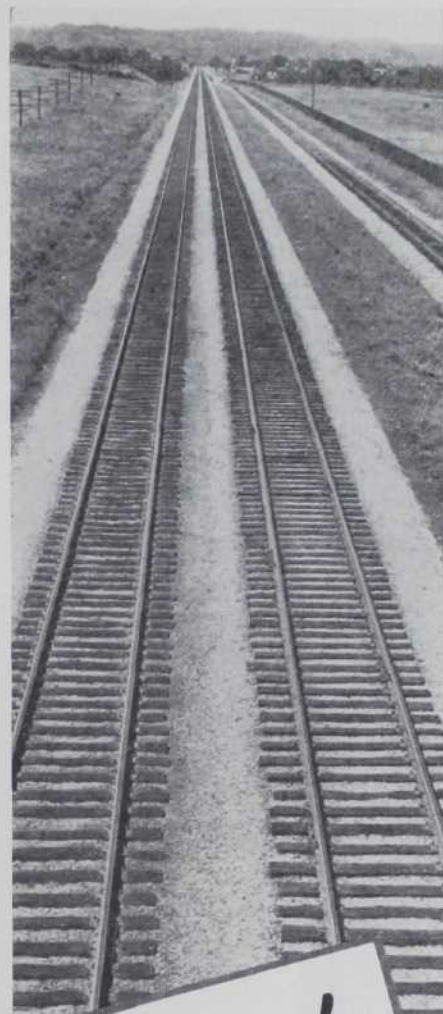
Congress could stop wasteful spending. It is hard for a business man to understand why the cost of government, 25 years ago, was about five per cent, and now it takes almost 35 per cent of the earnings of business. Remember—only one-sixth of the cost of government goes to relief.

Congress could inspire confidence in the minds of business men by amending the National Labor Relations Act, so that it would be fair to both the employer and the employee—and by prohibiting coercion from any source.

Congress could amend the Social Security Act, so that, after a reasonable reserve, it would be on a pay-as-you-go basis. A reserve fund exceeding forty billions of dollars ultimately is certainly a menace to any government controlled by politics. Investing this surplus in government obligations, and using the money for current expenses, does not add to security for the aged.

As the government, for many years, has dictated the management of railroads, it has a peculiar responsibility for their condition. Therefore, Congress could enact legislation which would relieve the serious plight of the railroads. Recommendations for Congressional enactment, from a recent transportation conference, which was representative, independent and self-governing, were as follows:

"Railroads be accorded greater latitude to effect voluntary consolidations along natural lines. A simplified method of financial reorganization. That the government cease competing with privately-owned transportation by disposing of federally-financed barge lines to private parties"—all of these recommendations being subject to approval of the Interstate Commerce Commission. "That carriers, as well as all business, be relieved of the undistributed profits tax. That, since the Government has embarked in a large way in grain and other business, land grants statutes, giving the Government sharply reduced rates, should be repealed."



Smooth

solid roadbed is but one reason for Chesapeake and Ohio Lines' smooth-working dependable freight service. With operation equal to the excellence of plant and equipment, shippers may count on the arrival of consignments on schedule time, in perfect condition.

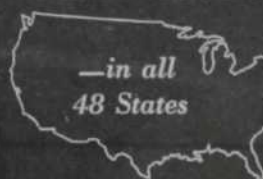
CHESAPEAKE AND OHIO representatives, located in all principal cities, will show you how this service works in the solution of your shipping problems.

CHESAPEAKE
and Ohio **LINES**
CONTROLLED PERFORMANCE

Conquest lies ahead...

All over America airplanes are conquering time and space. It has been Texaco's privilege to play its part in this conquest. More scheduled airline mileage is flown with Texaco than with any other brand. Texaco Aviation Products are available at airports from coast to coast. In addition 2186 Texaco supply points stand ready to serve industry as a whole.

THE TEXAS COMPANY



ing factory had violated the law when it refused to bargain with the union representing certain of its employees who had gone on strike before making any collective demands of the management. Indeed, most of the union members struck first and joined the union later. In effect the union leader paid them to do this. He pledged strike benefits to all who would walk out. In defense of its position, the management declared that the union had brought the workers out on strike by false statements and promises, and that it had induced the strikers to engage in acts of violence. The Board swept these contentions aside. Among other things, it asserted that:

1. The Board has no mandate to examine into the actions of union leaders.
2. It is for the workers alone to decide whether the speeches and conduct of union officials make them worthy of leadership.
3. "Where groups are to be organized and moved into action, it is not unusual for the leaders to promise more than can be secured, or to indulge in some exaggeration."
4. Alleged union encouragement of violence by pickets and strikers does not justify refusal to bargain with it even when there is evidence that some of the union followers were convicted of assault upon workers in the plant.
5. "The fact that, during a strike, necessarily a time of heated emotion, the bounds of permissible conduct may have been overstepped by men or leaders cannot be used to deny to employees their full right of representation."

On the theory that, if the management had met the representatives of its employees, an agreement might have been reached and the employees might have returned to work and that the management's refusal to bargain precluded this possibility, the Board ordered the company to offer employment to all of its striking employees whose positions had been filled by persons hired at the beginning of the strike.

Employees are left free

IN fairness to the Board, it should be noted that the Act gives it no authority to pass upon the conduct of employees and their organizations. At least, the Act does not prohibit employees from doing anything. The Board reviews evidence of questionable conduct by employees and unions only to the extent that employers introduce it to justify their own actions, or when it is introduced to determine the majority representatives of employees when it is charged that coercion or other improper influence was used upon employees in the selection of their representatives. As the Act now stands, therefore, it ties an employer's hands in coping with strikes or threatened strikes, but leaves the

way open to workers to resort to any kind of practices without fear of retaliation by the employer.

Suppose some employees strike in violation of an agreement made between their union and their employer. As a matter of common justice, would not the employer be justified in firing the ringleaders? Would he not be justified in trying to induce some of the strikers to return to their jobs? Why should he not tell his side of the controversy to his employees and the public, even if a complete presentation of his story made it necessary for him to criticize union officials? But the Board has held that employers who have done these things violated the Wagner Act. The Board may be right. The courts have sustained many of its decisions involving the conduct of employers during strikes. Two major cases in which the Board was reversed in circuit courts of appeal are soon to be reviewed by the United States Supreme Court.

If strikes, in general, be an evil that should be minimized, perhaps the fault lies with the Act, rather than with the Board's interpretations. One apparently innocent and obscure provision of the law certainly has not helped to diminish the cause of labor disputes. This appears in Section 2

(Continued on page 72)

Power

STORY told by Nesmith's photograph used for this issue's cover is obvious enough in its workaday significance. Linemen rigging strain insulators for high voltage transmission are such a familiar sight that the observer takes the extension of power and light service for granted. How this service has advanced from the frontier defined fifty years ago by Edison and other pioneers is a matter of daily concern to the American people, for it touches them closely in work and play, in health and in sickness. Measured as a business enterprise by a \$12,000,000,000 investment, its contribution to the growth of industry and national progress goes beyond statistics. Still performing their original rôles of light bearer and mass transporter, the electric utilities have helped to substantiate the vision of science in medicine and engineering, have helped to expand the natural perceptions of ear and eye, have brought millions of farms into current touch with the facilities of the modern world, have provided a dependable opportunity for mass employment only recently restricted by the deterring effects of public policy ostensibly concerned with regulation, but practically amounting to an extinguishing competition.

No Lives Lost

but hospital bills will take more than their savings



Can your employee get the loan he needs from you?

It's a tough break for Jack who works in your shipping room. He's a careful driver but the other fellow wasn't. Now his wife and daughter are in the hospital. They'll recover but the bill is going to be a big one—far more than the family's savings will take care of. A loan seems the one way out.

Loans for emergencies

But where is Jack to get it? Your company probably doesn't make such loans to employees. His friends have their own problems to solve. The bank will require collateral which Jack doesn't own, or co-signers he can't readily get.

To supply loans to wage earners like Jack is the function of Household Finance. From Household these people can borrow from \$20 to \$300 on a business basis and at reasonable cost. They repay their loans in 10 to 20 monthly installments which average less than 7% of monthly income. Last year this service helped more than 700,000 men and women to meet money emergencies.

To borrowers Household also provides guidance in money management and better buyman-ship—shows them how to save on daily purchases and get more out of limited incomes.

Wouldn't you like to know more about this service which helps answer the money problems faced by your employees? The coupon will bring you further information without obligation.

See Household's interesting exhibit "Stretching Your Dollar" at the New York World's Fair.

HOUSEHOLD FINANCE CORPORATION and Subsidiaries

Headquarters: 919 N. Michigan Ave., Chicago
"Doctor of Family Finances"

one of America's leading family finance organizations, with 239 branches in 152 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-2
919 N. Michigan Ave., Chicago, Ill.

Please send me booklets about Household's family money service without obligation.

Name.....

Address.....

City..... State.....

Living up to the Greatest Name in Rubber



Giant spikes rip tires wide open on speeding test cars, but LifeGuards* retain enough air to carry on to safe straightline stop

Complete Tire Safety becomes a Reality

MOST dramatic of all rubber's contributions to the public welfare is the Goodyear LifeGuard. It is so named because it guards human life from one of today's deadliest dangers—the peril of a tire failure at speed. How real that peril is the mounting toll of highway accidents gives daily warning. But now the LifeGuard makes the most violent blowout as harmless as a slow leak. It provides infallible protection against all sudden tire failures; makes any tire completely safe.

LifeGuards take the place of inner tubes; replace them with an invulnerable "reserve tire" that carries you to safety when a casing fails. There's no lurch, no sway, no fight to keep a careening car from the ditch—because the LifeGuard retains enough air to keep your car under perfect control until slowed down to a normal stop. Everywhere acclaimed as one of the major safety advances in motoring history, the LifeGuard adds new lustre to the greatest name in rubber.



1839 • THE CENTENNIAL OF RUBBER • 1939

Great beyond all other names in rubber is that of Charles Goodyear—discoverer just a century ago of the process of vulcanization that made rubber usable to mankind. To honor him The Goodyear Tire & Rubber Company was named long after his death; from his lifelong effort to extend rubber's utility it takes inspiration.

GOODYEAR

*LIFEGUARD is a registered trade-mark of The Goodyear Tire & Rubber Company.



The Catch in "Cooperation"

EVERY twice in a while a cry goes out for "cooperation" between business and government. It is always a generality. Never is there any specific action suggested; never is there a clear-cut designation of the particular field in which cooperation is desired. But the "cooperation" plea gets applause and solemn nodding from the side-lines.

This rhetorical urging toward cooperation, if not meant to do so, certainly accents the persistent implication that "business"—again that beautiful abstraction—is not doing its patriotic duty. But what is the record?

Early in the depression, at the behest of the White House, the public utilities spent more than a billion dollars in new plant equipment they didn't need. In similar response, the rails reconditioned cars in shops to a degree that was known by experience to be uneconomical. Business men everywhere, under dollar-a-year leadership, tried out the political plan of share-the-work. Trains ran to Washington in double sections filled with business men to help implement new policies. And so on to the end of a long page.

Cooperation means working together to a common end. It must have respect and confidence from each interest for every other interest. There must be mutual give-and-take, a resolving of honest opinions over effective means to attain the joint objective.

To the realist this perfection of cooperation is impossible. The reasons are obvious enough. It is a political axiom that the politician never admits mistakes. And business has as many ideas of a proper course of action as are found in competitive political platforms. In sum, no one, no group, has authority or power to pledge action by the two million owners and managers of business in a free country.

Most business men stand together on one plank—that a move toward a balanced federal budget would help to reestablish confidence and promote recovery. What compromise on this issue would bring the result business feels is necessary to restore that confidence which allowed industry to expand and develop as in the past?

But to narrow it down still more. Suppose bankers sat in cooperative council with an administration. They would like to see something done toward liquidation of the 34 federal lending

agencies now depriving them of opportunity to perform their old-time functions. Would—or could—the administration approve this view? Rather would not its interpretation of "cooperation" come down to pleas for support of measures designed to give it more control?

So with power and light. Would the Government meet half-way the plea of the utilities for a non-partisan board to appraise the properties the Government plans to take over? Or postpone further competition?

Manufacturing urges as a prerequisite of greater activity—which means more goods and more jobs—a fair break in the Labor Act. Does any one believe it is possible to get teamwork on this?

Stop at this point and ask yourself, where do I fail at this moment to cooperate with government? Multiply yourself by two million other business men. Consider your own segment of commerce or industry. Figure out for yourself what kind of cooperation would be desirable. Do you think a get-together between political management and private management in the field you know best could be realized? Investment banking? Oil, coal, lumber? Rails or shipping? Grain or stock exchanges? Communications?

Here, a new order has been erected upon a campaign of distrust, fear and hate against the American business system. America is to be made over, and the philosophy of its chief planner, Professor Tugwell, still persists. He stated in 1932: "Business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant."

Even if the heart moved in the direction of "cooperation," could a group whose powers and destinies depend upon the extirpation of the free enterprise system give ground without endangering its strategic positions and objectives? Yielding would bring certain political death, for it would amount to a confession of failure to convert the country to acceptance of the new order. Expectation that the political conscience will expose itself to any such ordeal is beyond all reason and belief.

Mere Thorne

250					
<i>W.A. Kirmen</i>					
NAME	STATE U.I. TAX	FED. G.A.B. TAX	PAY ENDING	6/16 193	
AMOUNT TAXABLE		37.84	TOTAL EARNINGS	\$37.84	
TAX RATE		.01	TOTAL DEDUCTIONS	5.38	
TAX AMOUNT		.38	BALANCE DUE	\$32.46	
<i>Adu. 3/15 \$5.00</i>					
MORNING		AFTERNOON		OVERTIME	
IN	OUT	IN	OUT	IN	OUT
Σ 800	Σ 1200	Σ 1 00	Σ 458		8
Ƒ 800	Ƒ 1202	Ƒ 1259	Ƒ 503		8
3 759	3 1201	3 100	3 501		8
Ƒ 757	Ƒ 1200	Ƒ 1257	Ƒ 502	Ƒ 530	Ƒ 834 11
Ƒ 801	Ƒ 1202	Ƒ 1259	Ƒ 500		8
		HOURS	RATE	EARNINGS	
		REGULAR	40 .85		
		OVERTIME	3 1.28		
5		TOTAL HOURS	43	TOTAL EARNINGS	
DAYS WORKED					

TWO CARDS

with a single message—

"PAYROLL PROTECTION"

8
8
34 11
8

EARNINGS

INTERNATIONAL BUSINESS MACHINES

INTERNATIONAL BUSINESS MACHINES CORPORATION
590 MADISON AVENUE, NEW YORK, N. Y.

A. REPRESENTATIVE
INTERNATIONAL TIME RECORDING DIVISION

One card introduces the man in your vicinity who can be of invaluable assistance to you in solving your time recording problems; the other introduces a reliable, convenient and economical method of wage-hour accounting . . . A wide and varied experience with all kinds of payroll problems places the International representative in a position to give you expert advice, and to help you select the time equipment most suitable for your particular payroll requirement . . . Call, write or telephone today for an introduction.

INTERNATIONAL BUSINESS MACHINES CORPORATION

World Headquarters Building
590 MADISON AVENUE, NEW YORK, N. Y.



Branch Offices
IN PRINCIPAL CITIES OF THE WORLD

Radio's Growing Pains

By HERBERT COREY

CONTROL in the public interest puts the broadcasters and the F.C.C. to a diligent consideration of the difficult questions raised by the rapid growth of the industry

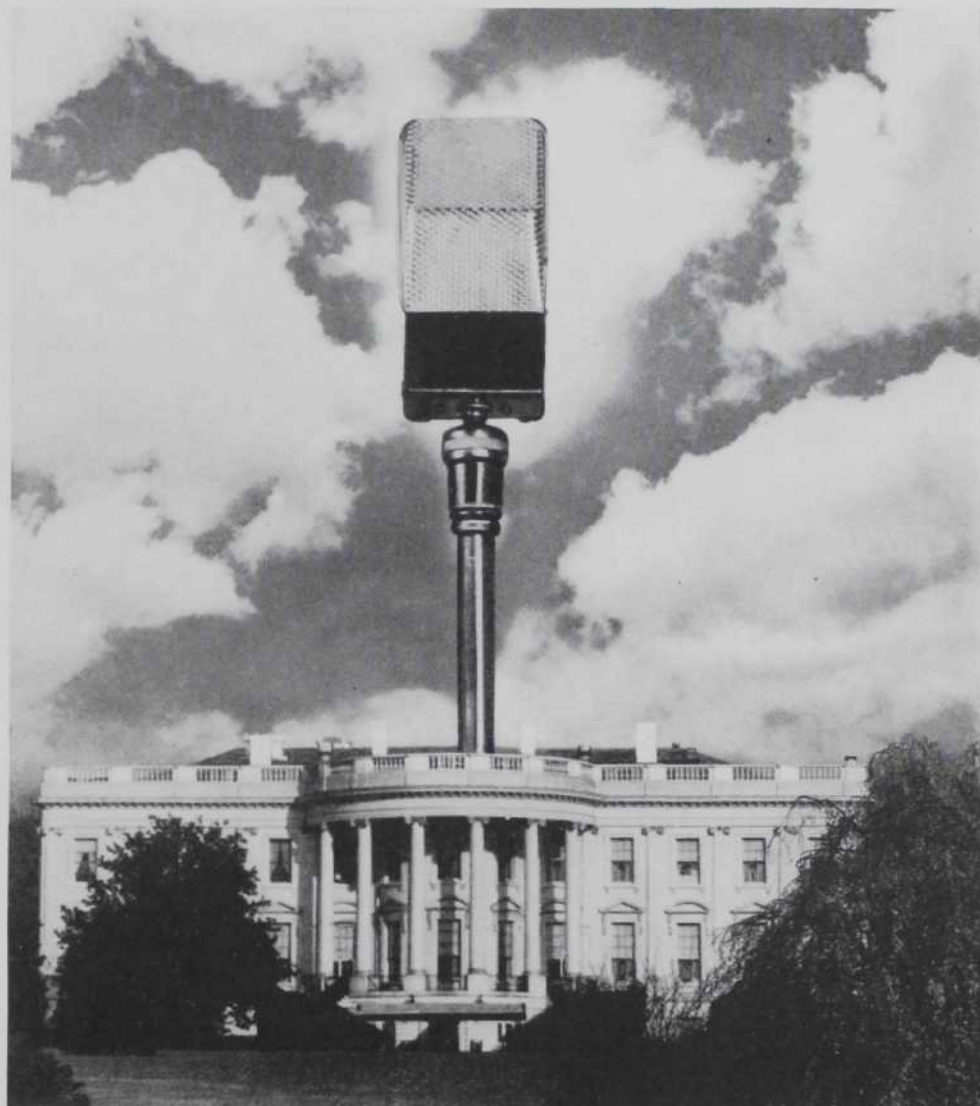
RADIO TEMPTS one into flamboyance. It twists one's values. A world is ditched at Munich. Radio did one of the finest jobs of news reporting on record both as to accuracy and speed. But its reporters employed much of that high whinny used by the ecstatic broadcaster who week after week shouts:

"Here comes MIS-TER CECIL B. DE MILLE!"

The Hindenburg came down in flames in one of the most dramatic disasters on record and it was superbly reported. Not quite as superbly, of course, as the invasion of Orson Welles's Men from Mars some time later.

There is a constant mingling of cockeyed fantasy with the most desperately real. A German caught listening to a broadcast that is not *echt* Aryan is simply asking for a winter in the concentration corral. Great Britain is grimly hunting for more and cleaner purity to put on her triply cleansed air at a time when all know the next flash may be an order to run, not walk, for the nearest bombproof. Dorothy Thompson talks 15 minutes and a committee of Gentiles as long as the First Division starts raising money for the tortured German Jews. There is not a cause that could stand against radio attack without a radio defense.

In writing about radio I shall—if the reader will pardon the incredible indelicacy of the phrase—try to keep my shirt on. Almost every one will agree that something is wrong with it in this country. At the same time we have a radio service which for excellence, coverage, entertainment value and factual reporting makes every oth-



GEORGE LOHR

"The democracy of the country might be threatened by some future president through his control of the radio."

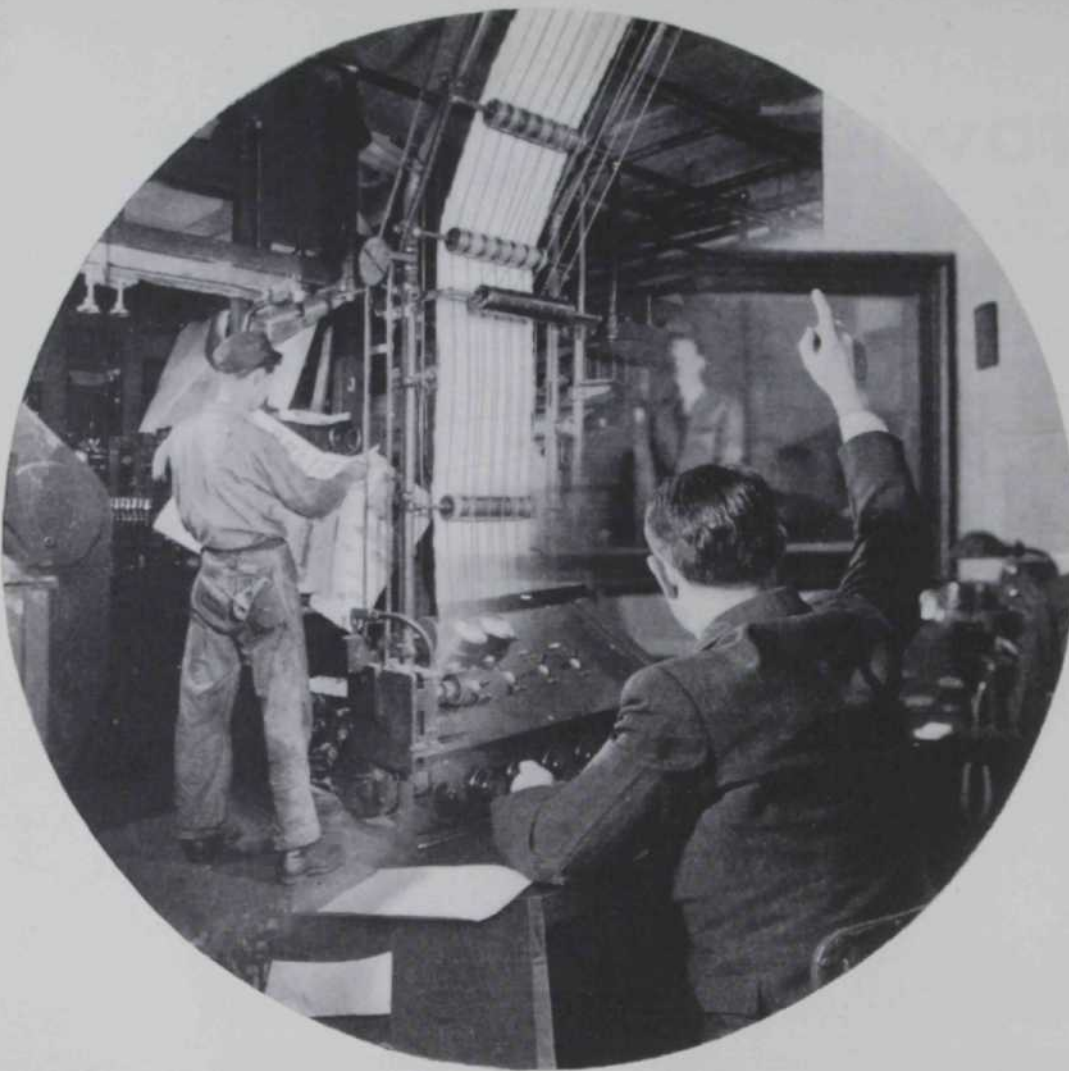
er radio service in the world suggest the cheeping of a blind mouse in a hedgerow. There are about 20,000,000 radio sets in this country. Give or take 5,000,000 and you still have a lot of receiving sets. A shepherd on a Wyoming mountain alone with his bleating demons can get hot stuff from the world's capitals along with all the rest of us. In one way or another radio shifted \$1,000,000,000 last year from one set of pockets to another. It will shift more this year. We are in international disagreements and compacts because of it. The time is not far distant when one may get into slippers and twist a knob and see a football

game or a motion picture. In time of war a bootleg broadcaster would be hunted down by every government man from the F.B.I. to the mechanized cavalry. Radio may be anything from a menace to our liberties to one of the most effective defenses of our freedom. It is half wet eel and half hot poker.

Congress will consider these charges:

That the Federal Communications Commission has set up an effective and only partially concealed censorship. That this is in defiance of the constitutional guarantee of free speech. That the courts have accepted this F.C.C. control.

That, if the F.C.C. forgot politics and got back on its true job of engineering, you and I and John Smith and the sheep-



Radio wants the same guaranty of free speech that the press enjoys
—broadcasters oppose the idea of post-censorship

herder would get practically perfect service day or night.

That there is such grave danger that radio might fall under the control of one group or even one man, with the implied dangers to free thought and national culture, that there is equally grave danger that Government may—at some indefinite future time—try to take it over.

That a government controlled radio would be a greater danger to us than the Fascists and Communists combined.

The scope of radio waves

BEFORE approaching this spectacle of a handmaiden of science turning handsprings in a madhouse it is advisable to discover just what radio is. If this seems like a trampling of stale straw this writer will admit that it did not seem stale to him. He learned that radio waves may be sent out from transmitters at speeds ranging from a low of ten kilocycles a second up to a possible 10,000,000 kilocycles. For practical purposes the radio spectrum may be considered as extending from ten kilocycles to some point very much above 30,000 kilocycles. A kilocycle is 1,000 waves.

Simplification again. The F.C.C. has defined the radio spectrum as of six

major bands, in accordance with an international agreement. On most of the receiving sets in this country the broadcast band appears on the dial, ranging from 550 to 1,500 kilocycles. Below and above this range are the low frequencies—otherwise known as the ultra long waves—and the high frequencies, which are the short waves on which Europe gives us advice. The 550-1,500 band is allotted to broadcasting the world over. The International Communications Convention permits certain departures from this band for European countries and for various reasons. Canada goes down to 540 and up to 1,600 for purposes that are partly experimental.

An ordinary radio broadcast requires a space ten kilocycles wide, the so-called "channel" being in the middle with paddleroom on each side. Other forms of transmission run from a width of two kilocycles for radiotelegraph to 6,000 kilocycles for television. The immediate engineering problem before the F.C.C. is therefore to fit as many channels into the space between 550 and 1,500 kilocycles as possible. The correct answer is 90. Forty of these are

"clear channels," operating with a minimum of five kilowatts and in one station only with a present maximum of 50 kilowatts. Only one station is permitted to operate on each clear channel in the United States at night because of interference although two stations may use the same clear channel during the day if they are sufficiently distant from each other. In a general way the high-powered clear channel stations offer the only means for a long range broadcasting and rural and remote areas must rely on them. Interference is much worse at night.

Conflicts in channels

FOUR of the remaining channels are designated as high power regional channels, 40 as regional channels, and six as local channels, the power used ranging downward until the local stations cover comparatively small areas. On Dec. 2, 1938, 716 stations were operating, 43 were licensed for construction and there were four special or experimental stations.

Under the engineering standards of the F.C.C. stations of given powers on the same channel should be separated by specified distances in miles by night and by day, as a defense against interference. Cuba and Mexico have at times made the situation almost impossible by putting high powered stations on the

air. The only thing that could be done is to protest. The engineering situation is further gummed up by other interferences. Power that gives perfect reception in the Dust Bowl, for example, would not do at all over the marble hills of Vermont.

On the whole, however, the engineering problems are comparatively minor. The engineers know how to prevent interferences. It is at least theoretically possible to distribute broadcasting stations so that every section could have practically perfect reception at any hour along with a wide range of choice between programs. The F.C.C.'s records show there are four national networks and about 30 more or less regular regional networks. Something less than one-half of the stations, including most of the important ones, are affiliated with the networks.

On the Federal Communications Commission are seven \$10,000 a year men, no more than four of the same political party, appointed by the President but not removable by him—except, of course, for mal-or-misfeasance—and subject to confirmation by the Senate. If they had only to direct en-

gineering operations their task would be simplicity itself, but the cornerstone of all radio legislation is that the owner of a station is granted no right of ownership in a channel. He is permitted to use that channel under the control of the F.C.C. As one court has said "all radio communications are interstate" and so the F.C.C. has the additional authority granted by the interstate commerce laws.

Under the radio laws, Congress gave the F.C.C. legislative, executive and judicial powers. It may make its own laws, prosecute violators and punish the person found guilty. Almost the only limitation is that it must observe a standard of "public interest, convenience or necessity."

The Act provides that aggrieved persons may appeal to the district courts of the United States, but in effect only if the F.C.C. has erred in interpreting the law. Its ruling on the facts involved is unassailable, unless there is no conclusive evidence in the record sustaining the finding of fact. For all practical purposes the Commission's decisions can only be reversed by itself. It can take an owner's property away from him for a failure in good taste in one of the programs broadcast by his station. Yet he may have had no knowledge in advance of the defect of the script. The Commission has laid down no rules for his guidance except the vague obligation of "public interest, convenience and necessity."

It resembles censorship

NO ONE knows precisely what that phrase means. Station owners are obliged to govern their affairs by what they think the Commission might think in a given instance. If they guess wrong they may lose their licenses. One license, at least, sold for upward of \$1,000,000. The courts have upheld the Commission's exercise of this power.

If that is not censorship what is it?

An observation should be made at this point. Congress seems to have given the F.C.C. an impossible job. If its seven members keyed in to the wisdom of all the ages—and there is no tumultuous testimony that they have done anything of the sort—they could not do what they have been told to do. Congress either practiced a little of the skulduggery which Congress does sometimes, or else Congress did not quite understand what it was about. Congress had in mind when enacting the radio laws that First Amendment to the Constitution which provides that:

Congress shall make no law—abridging the freedom of speech or of the press—

It was therefore specifically set forth in the Act that:

Nothing in this Act shall be understood or construed to give the licensing authority

(the F.C.C.) the power of censorship—

No regulation or condition shall be promulgated or fixed by the licensing authority which shall interfere with the right of free speech—

No person—shall utter any obscene, indecent or profane language by means of radio communications.

Any one can understand that language. Congress apparently intended to place the new organ of mass communication on precisely the same footing which the Constitution and the courts give the press. That means that the F.C.C. has no right of *prior* censorship. No newspaper or magazine in this country is compelled to submit copy to the government for censorship.

Then Congress, having legislated to preserve the constitutionally granted right of free speech, went on to make that free speech impossible by the duty imposed on the Communications Commission and the authority given it to enforce its rules.

Under the constitutional provision affirming the freedom of the press, the editor determines the content of each publication. If he publishes material forbidden by the law he is subject to punishment on the charge of libel. Any one who reads the radio law would assume that radio is on the same footing.

Theoretically it is.

(Continued on page 62)



Fantasy constantly mingles with desperately real events. A world is spell-bound by Munich conference—awed by Men from Mars

The Plight of the Marginal

By EDWARD S. COWDRICK

THE Fair Labor Standards Act makes it more difficult for the physically handicapped, youthful, aging, inexperienced or untrained to hold a job. Is it impossible to contrive ways to employ them at standard wages or at least to hire them for what they can earn? Or should they be supported at public expense until they can find better jobs?

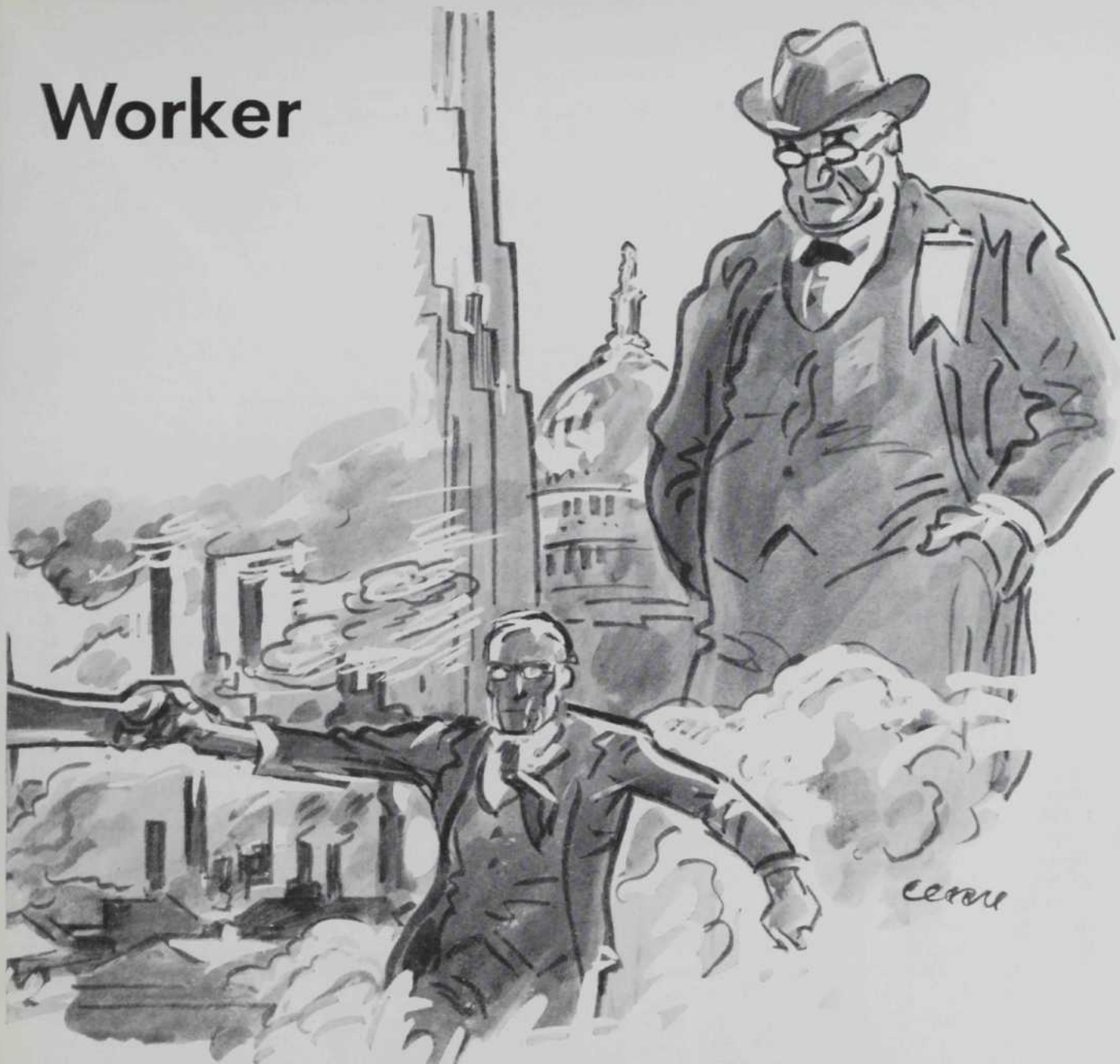
JERRY makes the rounds of the building where my office is located, polishing shoes. His fee is ten cents. I don't know how well he makes out, but I suspect he doesn't get a very large share of the More Abundant Life. Perhaps, to attain a genuinely American standard of living, he ought to raise his price to 25 cents. But if he did that, I and many of his other customers would shine our own shoes. Then Jerry would go on relief.

Couldn't the Government do something about that? Oh yes; the state might pass a law requiring me to buy a 25-cent shine every day, but that would mean that I would have less money to spend for other things than shoe shines and the reduction of my purchasing power would injure the tradesmen with whom I do business. Or I might, if I were able, raise the price of my own services, to make up for my extra expense. But if I and the rest of the wearers of shoes did that it would raise the cost of living for Jerry and all the other polishers. So it looks as though, by trying



One of the characteristics of modern industry is that nearly every one has to work for some one else. A job is essential if we are to exist

Worker



to be helpful, we are not making Jerry's situation any better, and may even make it worse.

There, in oversimplified tabloid form, we have the essential elements of one of the most perplexing problems of our economic and social system—what to do about the marginal workers. By this term is meant those who are barely employable at wages that will sustain life. The marginal workers make up a large group, its numbers recruited from the physically handicapped, the youthful, the aging, the inexperienced, the untrained, the stupid, the maladjusted and the inefficient. In times of depression—sometimes even in prosperous periods—many of these marginal workers become submarginal; that is, they can get no employment whatever.

Recent economic and social developments in the United States have brought sharply into the foreground

the question of what is to be done with the marginal worker. Shall we try to contrive ways by which he can be assured of employment at standard wages, regardless of the value of his services? If so, is the unearned pay to be contributed by the employer, by fellow workers, by consumers, or by taxpayers?

Deprived of work and pay

IF WE decide not to maintain the marginal worker's income on the same level as that of the efficient producer, shall we let him work for what he can earn or will it be better to push him out of industry and support him and his family by charity or relief?

These questions are not simple, nor are the answers obvious. Their solution requires consideration of many unknown quantities, and the use of variants such as general wage levels, cost of living, exploitation of labor,

and American standards of life. It is not always easy even to determine what the labor of an individual is "worth," although for practical purposes it is safe to assume that its value is measured by the amount some consumer is willing to pay for his contribution of products or services.

The problem of the marginal worker, in the form in which it now presents itself, is distinctly a development of modern industrial civilization. In primitive economy, each individual, either directly or through barter, lived on what he himself produced. The poor producer ate less than his fellow tribesmen and had fewer comforts. Under modern conditions, the same result is reached by a more roundabout route. Primitive barter has been replaced by the intricacies of modern commerce, while the efforts of the individual producer are pooled with those of many others in

turning out the goods offered to consumers. But wages still are paid out of production, and each worker's earnings measure roughly his own contribution to the national income.

Normal distribution is fair

UNDER normal conditions, and to the extent that economic forces are allowed to operate freely, the wealth created by industry is distributed through a continuous competition between labor, capital, and consumers. Each of these competitors would like to get as much as possible without breaking down the productive process and reducing the total wealth available. Labor wants high wages, capital wants high profits and interest, consumers want low prices. The relative strength of the competitors determines how the national income is distributed. In this process the wealth to be divided can be neither more nor less than all there is. Excessive taxes or high production costs cut down the available amount, and the competition continues for whatever is left.

Sometimes, as during a considerable part of the 1920's, there is at once a surplus of labor and a rising level of production. In such circumstances wages may remain approximately level. Then the workers are getting a diminishing share of a progressively rising national income. This point is important in the study of wage trends in the years just preceding the 1929 depression.

One of the most noteworthy characteristics of modern industry is the fact that nearly everyone has to work for some one else. To the majority of the population, a job has become essential. Correspondingly, unemployment has become a more serious problem than in earlier generations.

In recent years this problem has been growing. To find a record of anything like a labor shortage in the United States, we have to go back to about 1923. During the prosperous latter half of the 1920's, business men and economists saw with some bewilderment that considerable unemployment existed and that most of it appeared to be chronic. Search for the causes of this condition brought out much difference of opinion. Some blamed labor-saving machinery. It is needless here to go into the argu-

ments that have been advanced in support of both sides in that controversy. Probably it is true that, in the long run, machinery creates more jobs than it eliminates—always provided that it is installed to meet real needs and at the pace called for by the normal development of industry. If its adoption is accelerated by the necessity of substituting machine power for human labor, because of artificial wage levels or uneconomic restrictions, it is likely to create lasting unemployment. Something like that happened in the 1920's, at least in some industries and in some localities. Even in a period of labor surplus, wage levels remained high, and managers, forced to reduce costs to meet competitive prices, found ways to displace human labor.

Industry does not install machinery simply to watch the wheels go round; it does it in the belief that it will reduce unit costs of products and thereby broaden markets or improve the machine owner's competitive posi-

surplus, would drive down wages until human labor became cheaper than machine labor, machines would be discarded or their adoption postponed, more workers would be taken on, and the equilibrium of employment would be restored. This process, if it went far enough, might lead to wages and working conditions like those in India and China.

Of course, this extreme of *laissez faire* would be unthinkable in modern America. Even an approximation of it has been prevented for a long time by union regulations, by public opinion, and by the laws of some states even before the federal wage and hour act was passed. Employers themselves have held out firmly against wage cutting except under the most urgent necessity.

However praiseworthy this policy may be—and few would venture to criticize it in principle—there is no doubt that it has been carried to an extreme that has prolonged and deepened unemployment. And when jobs are scarce and workers are being laid off, the man whose employment is least profitable usually is the first to go and the last to be rehired. This is what has happened, and is still happening, to the marginal worker.

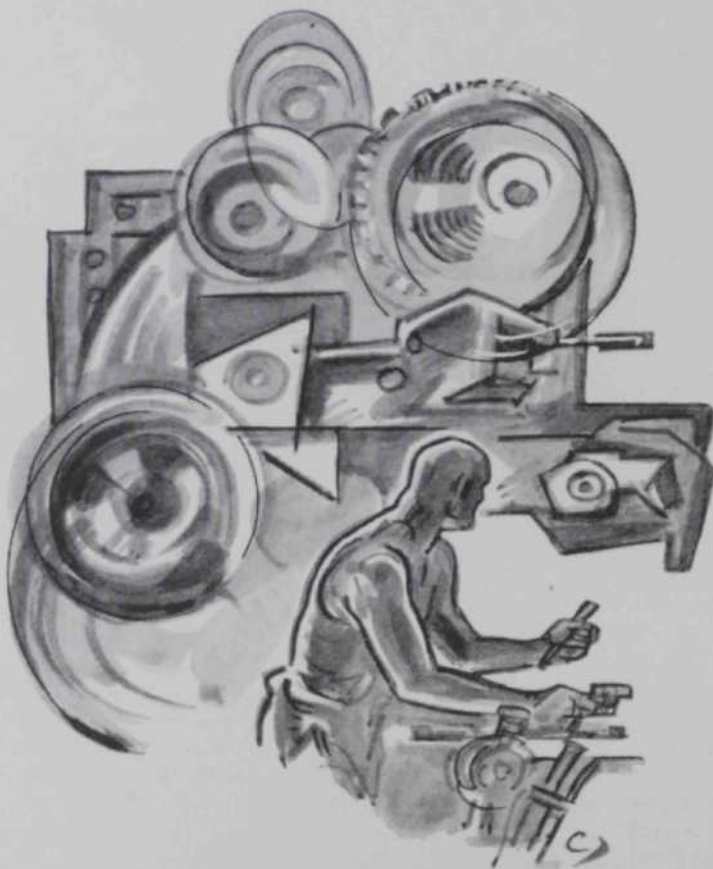
Restricting labor

THUS we see that for years there has been a definite trend toward increasing labor costs by restricting working hours, by raising wages or "freezing" them at high levels, and by limiting the employer's power to enforce discipline and maintain efficiency of production. This has prolonged unemployment. But now has appeared a new bar to the employment of the marginal worker—a growing disposition not to let him work at all for wages that represent the actual value of his services.

Some unions adopted this policy long ago in efforts to prevent the infiltration of low paid workers who might drag down

the wage standard of others. It has now been adopted by many social reformers, some of whom actually believe no one should be allowed to work for less than is adequate to maintain a theoretical American standard of living.

This may be a humane argument,
(Continued on page 70)



Workers constantly compete with machines even though more jobs are created

tion thus increasing his profit. The human worker always is in competition with the machine—either the machine already in the factory or the new machine the boss can buy if he thinks it will pay. Under a theoretical free functioning of economic laws this competition between the human worker and the machine, in a time of labor

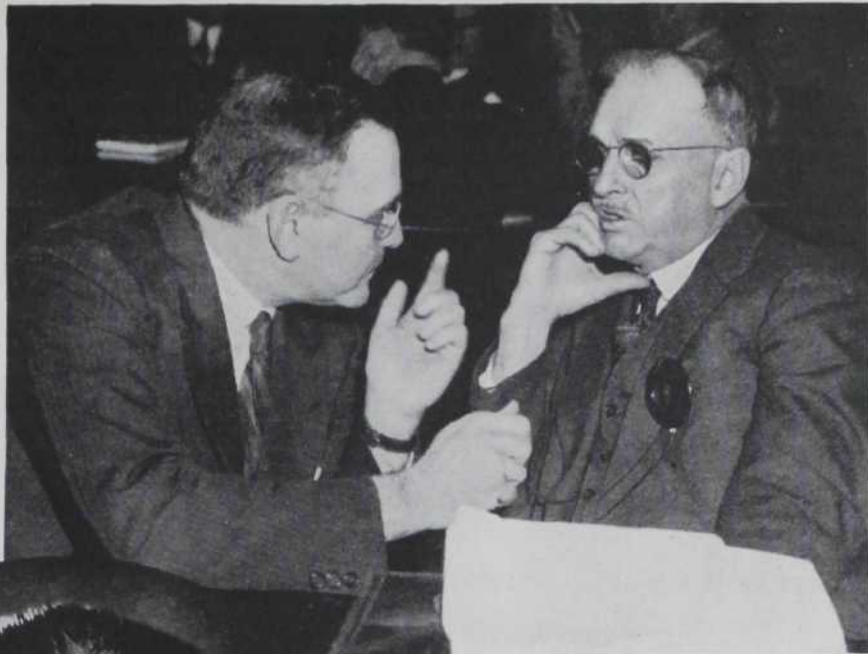
Business Men Say . . .



William O'Neil



James D. Mooney



HARRIS & EWING

Fred I. Kent (right)



Mr. and Mrs. M. Albert Linton

WILLIAM O'NEIL, President
General Tire and Rubber Company

"So-called 'sharing-the-work' hurts the regular workman more than anyone else. It often means that his annual wage is reduced from \$1,800 to \$2,000 down to about \$1,200 or less a year. . . . There would be fewer lay-offs in industry if labor organization leaders did not insist that more persons must be taken on to handle the increased work during the busy season instead of agreeing to the regular workers putting in a few more than six hours some days. Labor strife, as a rule, is not stirred up in sections where wages are 25 cents an hour. The agitation usually is centered in localities where wages of around a dollar an hour are being paid. . . . All of us would be better satisfied with America today if we could see the conditions under which nearly all of Europe is living."

M. A. LINTON, President
Provident Mutual Life Insurance Co. of Philadelphia

"Interest earnings on life insurance investments have declined from a net rate of 5.11 per cent in 1925 to 3.69 per cent in 1937. . . . Despite the unprecedented low level of interest rates commanded by conservative investments there has been continued stagnation in the demand for durable goods financed through new capital investment. Perhaps the most persuasive of the explanations for this phenomenon revolves about the fear or lack of confidence felt by those in position to borrow money for capital investment. There is a feeling that conditions are likely to develop which may make it impossible or difficult to realize a margin sufficient to enable the borrowed money to be paid off out of earnings. There is fear of taxation policies; of possible government competition with private industry; of labor conditions."

JAMES D. MOONEY, V. P. General Motors Corporation
In charge of overseas operations

"Before we give ourselves up to the presumption that another world war is inevitable, we might have a look at the cost of casting some bread on these troubled economic waters, the cost of making a trade-financial deal with some of the 'have-not' nations in exchange for guaranties of political peace. For 20 years we moralized about the situation instead of facing practical realities. . . . World peace is worth struggling for, worth our making patient efforts to construct, worth a great financial contribution on our part."

FRED I. KENT, Director
Bankers Trust Company, New York

"We are being taught to be 'social-minded.' Why should such teaching lower the morals of the people? It is because social-mindedness from the political point of view is absolutely opposed to social-mindedness from the spiritual side of life. . . . Political social-mindedness means taking from the few and giving to the many, not because the few are undeserving nor because the many have earned a right, although this is the fiction used to intrigue the mentalities of men, but because pleasing the many obtains their political support at the expense of the few."

Science is Streamlining Tony

By A. G. HOLTZMAN and JESSE STECHEL

OLD-TIMERS will mourn the passing of an institution which holds a revered place in American folklore, but they will get better service as an ancient craft regains its past glory

HIGHLY polished mirrors reflect the gleam of chromium, of jackets white and crisply laundered. To look at, the man beside your chair might be a dentist. But look again! It's your old friend, Tony the Barber, and the place is the barber shop gone swank.

A lot of new methods and "barber science" have come into being since the days of the old shaving mug and the harmony quartet. The modern Tony may not be an authority on what the Guv'munt ought to do or the odds on the champ for a kayo before the sixth, but ask about the epithelial tissue or the effect of ultra-violet radiation on bacteria, and he's likely to give you a scientific answer.

Because the shave-and-a-haircut era is slowly going out. Today, in shops that constitute the aristocracy of barberdom, it's the Knickerbocker Massage or the Commodore Scalp Shampoo. It's the cocoa butter facial, the ultra-violet or infra-red ray treatment,

Note the shaving mugs on the rack in this shop of the early 1900's



Henry VIII receives the barber-surgeons back in the days when the barber combined "bleeding" and tooth pulling with hair trimming



Compare this photo of an old-time barber school with the modern type



the hair restoring machine. It's farewell to the time honored shaving brush. Tricky electrical gadgets now make sanitary lather to be spread on with the fingers, which, in turn, are carefully washed with disinfectant soap between customers. Air conditioning, pullman-type chairs and sterilization kits are becoming standard equipment for the modern barber. Do you want a hair brush? Package of blades, tube of shaving cream? Merchandise counter in the rear of the store, sir.

Even the classic "Next!" is being replaced by the methodical appointment book.

True, the "ultra" tonsorial establishment

the Barber



Barber students examine some of the tools of their trade



In such surroundings as these plots were hatched, politics debated; a man could lose his whiskers and, simultaneously, learn the latest news



Today's barber student faces a stiff examination before plying his trade

of this type is still found mostly in the hotels, railroad terminals and better class office buildings of larger cities. But the barber business is out to stage a comeback.

Men who like to hark back to the "good old days" will shake their heads sadly at these newfangled ideas. Not entirely without cause, to be sure, because the old style shop had about it that gossipy, friendly, human atmosphere which is part of America's folklore.

In the words of Lieut. Gov. Leo J. Novicki, of Michigan, addressing the National Association of Barber Examiners:



It was a sanctuary where males could assemble to hatch political plots. In a generation which depended on weekly newspapers and was yet to hear of the radio, it was a place of recreation and a medium for the dissemination of news.

You were attracted to it by the striped pole on the outside and, as you entered, you were assailed by the odor of soaps and tonics, mingling with the smoke of two-for-a-nickel cigars. You sat down on a creaking chair beside a stack of ancient and current copies of the *Police Gazette*, tattered and torn from frequent and ardent usage. On the wall was a rack of mugs bearing the names of regular customers painted in flowing gilt on their white surfaces.

You took inventory of the chairs to see who was present and you noted that a new picture

"Ultra" shops like this are still few but the number is rapidly increasing

of Jim Corbett or Bob Fitzsimmons had been pasted on the mirror. The neighbor occupying the chair to your right slipped his cud of burley to the side of his cheek and missed the cuspidor at your feet. Later, as you reposed in the chair, you learned that the city had decided to put some gravel on the Smithville Road, and the bald-headed barber told you about the virtues of his hair tonic.

Old timers like to reminisce also about the particular traditions attached to the mugs with their designs of flower and ribbon, moon and crescent. . . . How the dentist might have a set of false teeth pictured on his, while a locomotive embellished the railroad engineer's. How the man who quarreled with his barber would indignantly take his mug and march off to another shop or, if he happened to be a stickler for etiquette, would send his son or some other trusted emissary to execute this fatal breach of diplomatic relations.

Yes, the barber shop of yore has left affectionate memories. But although the old-time patron may have got good gossip, he usually had to take pretty poor workmanship along with it, not to mention an occasional case of "barber's itch." Furthermore, the barber himself made only the poorest kind of living out of long hours of work.



Through the 4,500 years of its history, barbering has served as the subject for artists

Barber shop "Patrick Henry's" did their part in fomenting the War for Independence

The dollars and cents of barbering are still rickety enough. The most recent census reports (1935) show that the average shop, with the big money-makers figured in, has an income of \$1,728 a year, or a little less than \$35 a week. Out of this the owner must draw his own living, cover rent, equipment, supplies, laundry, electricity and pay an employee if he has one, though it should be noted that most shops are still one-man establishments. Slender figures at best.

Bottom shops are poor

YOU don't see the bleakest, however, till you get to the lowest third of the barber shop nation, where 42,837 shops take in less than \$1,000 a year.

From the labor angle as well, the economic flavor is one of baked beans rather than *filet mignon*. Places large enough to afford the luxury of a pay roll offer an average wage of something under \$14 a week (with a comparatively minor number of bootblacks, manicurists, porters, etc. included). Tipping, of course, brightens the picture a little.

Contrast against this somber background of the industry as a whole the leaders who use up-to-date merchandising and scientific methods to gross from \$10,000 to \$50,000 or more a year. It is no wonder that barberdom is deciding to wake up and live. Statistics will probably tell a different story when the 1940 census is taken.

Apart from economics, however, Tony the Barber is much disturbed about another thing. He isn't satisfied with his standing in the community. He wants to gain—or, more correctly, to regain—the status of a professional

man. Somewhere in his subconscious mind are memories of ancient glory. Barbering dates back 4,500 years. Its original practitioners were really barber-physicians and barber-surgeons, men of community esteem. As barber-surgeons they continued well into the middle ages, "bleeding" the patient either by incision or by leech in faithful adherence to the favorite diagnosis of too much blood, or yanking a tooth where necessary.

Gradually, however, a cleavage developed between the master-surgeons, who did surgical work alone, and the barber-surgeons, who were chiefly barbers and performed surgery only under the supervision of a master-surgeon. Finally, the two professions were separated by act of the British parliament in 1745. From then on surgery improved its status. Barbering sadly declined.

With loss of caste came a fatal loss of public confidence as the standards and practices of the industry went pretty much to seed.

The general economic tightening up of the present decade awakened barbers to the need for a new order of things. Hence this drive to replace "trade" or "vocation" status with professional status and to put the industry on a surer financial footing.

The day is past when anyone with scissors, clipper and straight edge razor can set up his pole and wait for trade to arrive. In the District of Columbia and in every state except New York and Virginia, the barber today must have a state license before he can touch finger to your whiskers. To obtain his license he must first pass a medical examination to prove himself free of any communicable disease.

In most states he must, like the law-
(Continued on page 66)



BROWN BROS.

A Chamber Sells Nationally

By HERBERT M. BAUS



1300 copies of a "trade ambassador's" report are prepared for mailing to Los Angeles manufacturers and distributors

TRADE ambassadors of Los Angeles keep local business men informed as to better outlets, new markets, trade possibilities in their domestic trade territory



Harold W. Wright, manager of the Los Angeles Chamber's trade department, and trade ambassadors James F. Bone and M. J. Brown plan the year's market expansion excursions

"THESE chamber of commerce trade ambassadors saved me several thousand dollars which I might have wasted through superfluous interviews, useless stops and unnecessary correspondence. They made it possible for me to return to my business more than a month sooner than I had originally planned. And it didn't cost me a cent!"

The speaker was a Chicago manufacturer who came to California to retire but found he could not endure idleness. So he created a new business manufacturing door chimes. After penetrating local markets he wanted to tackle the territory between the Pacific Coast and Chicago. He went to the Los Angeles Chamber of Commerce for a few preliminary tips and got, instead, a sharp surprise and a bucketful of prosperity for his new enterprise.

He told how he had outlined his plans before the chamber's three domestic trade ambassadors who had

combed the United States, particularly its western half, exhaustively for ten years. They quickly prepared for him a special report including a route list, names of stores which were his best bets and those which were hopeless, names of buyers and merchandise managers and a list of hotels having adequate sample room facilities.

Encouragement for sales

THIS man's experience illustrates the service constantly given and kept up-to-date by the unique trade ambassador system being pioneered by one chamber of commerce. The new technique is building a greater economic destiny for the city it serves.

While no comprehensive evaluation of its results is possible, future potentialities are suggested by census figures showing that Los Angeles County's share of wholesale purchases made by retailers in the 11 western states and Texas grew from \$950,000,000 in 1933 to \$1,500,000,000 in 1937.

Chamber of commerce trade envoys carry Los Angeles to the market and bring the market to Los Angeles.

The first process is achieved through market survey journeys which they make periodically through adjoining states. These excursions covered 20,000 miles in 1938 and have totaled 150,000 miles in the decade since this system was inaugurated.

Before making a trip, the emissary

draws up a schedule of his expedition, corresponds with buyers and merchandise managers whom he intends to meet and mails publicity to chambers of commerce and newspapers in cities on his route.

On reaching a new community he first investigates its economic conditions. He learns current conditions and prospects. What new expansions have been made? How do railroad, department store, factory, and farm levels check up with last year? How are public and private construction doing? What are current credit and collection conditions?

This information is obtained from chamber of commerce officials, newspaper editors, agricultural commissioners, credit houses, bankers and other authorities. The material is analyzed and condensed into an effective approach to sales managers and prospective sellers in the adjacent territory.

The trade envoy now knows how far he can push Los Angeles products. He knows which ones are most needed. He is prepared to gauge the temper of those he must deal with and turn this to the advantage of home producers.

Next he interviews buyers, sales managers, wholesalers, retailers, manufacturing agents, and other potential customers for Los Angeles goods. He learns what home lines are now carried, what customers do not like about this Los Angeles product, how that Los Angeles service can be improved, and

what the home producer can do to keep his present merchant friends and attract new consumer outlets.

The ambassador overlooks no opportunity to establish personal friendship, to promise some little favor to a buyer such as looking up some friend back on the Coast or seeing how Sonny is doing at the University of Southern California. Many such buyers take their vacations near Los Angeles and have a circle of friends there they wish to cultivate. While playing the personal intermediary between a buyer and a private source back home may not directly advance the commissioner's business-in-hand, it constitutes a vital part of his function as a public relations agent and good will builder for the business men he serves.

Progress is carefully studied

NIGHTS on the road are spent correlating the numerous notes taken in the course of the day, analyzing progress made and conducting a detailed correspondence with the home office. The envoy incorporates latest buyer reactions to Los Angeles firms and products and makes recommendations for home firms to follow to encourage the business they have and expand sales volume in the territory. Time after time little points, such as requests for catalogs, complaints about delivery service, requests for action on freight and truck rates, ideas for co-operative community sales events and

other tips are relayed through these letters to manufacturers and distributors back home.

The Los Angeles Chamber staff immediately telephones these leads to the members concerned, and considerable business is saved or gained by quick, direct follow-ups.

One ambassador, for instance, found that leaders in the territory he was covering resented defeat in a statewide election of a project important to the area. He learned that the section was framing a boycott against Los Angeles business houses, blaming defeat of the measure on that city.

The commissioner jumped into the breach. Through a series of meetings with local merchants he showed them that manufacturers and wholesalers of Los Angeles had actively campaigned for the defeated project.

A boycott would mean a slap in the face to the project's best friends. As a result, the boycott was spiked in its infancy.

Ambassadors serve many Los Angeles manufacturers and distributors by finding sales representatives for their products in other sections. They contact approximately 2,000 such agents annually, discuss their rating of competing products, arouse their interest in the Los Angeles product. Commissioners investigate reputations of these agents with local chambers of commerce, retail stores and trade associations.

The ambassadors also cultivate special markets which individual manufacturers cannot reach easily. They contact government agencies which are in the market for hardware, steel, cement, machinery and other construction articles; jobbers who deal with Indian traders in Arizona and New Mexico; mines, mills, factories, and other industrial establishments.

When he returns home, the commissioner prepares a report modelled on a scientific outline perfected by Harold W. Wright, manager of the Los Angeles Chamber of Commerce domestic trade department and chief of these trade ambassadors.

This document gives a clear picture, not of what the ambassador himself thinks of the market, but of what customers and potential customers think of Los Angeles firms and products—both favorable and unfavorable. Included are recommendations to help sales managers keep the business they have and get more. Population characteristics and income are analyzed.

Finally the report presents a classified directory of the chief retail establishments and their requirements.

This report is mailed to 1,300 Los Angeles County manufacturers and distributors. Several hundred more copies are available for those who ask for them.

(Continued on page 74)



Seven reports completed by the trade envoys of the Los Angeles Chamber during the past year show roughly the scope of their work

Washington and Your Business

A Razz for the Tax Collector

THIS commentator is being moved to narrate about tax matters. Perhaps the story of the mayor of Newcomerstown, Ohio, encourages him to this effort. The mayor has advised his constituents to refuse to pay taxes assessed against the town for the building:

"Of what they call a flood control dam. Anyhow, it's 30 miles up-river and we didn't ask for it and the floods do not do us as much harm as the tax would do."

The state says that if Newcomerstown does not kick in with the gelt it will get no money for school support. Newcomerstown retorts that not even George the Third of England could get away with that stuff.

The Meaning of "Circumvention"

THE national association of millers is perturbed because Henry Wallace proposes to put a two-cent-a-bushel processing tax on wheat:

"The tax will come out of the pockets of the consumers," say the millers. "And that means that we will sell about 3,000,000 fewer barrels of flour than we should sell each year."

Farmers might not like that, either. The millers' man was asked if it is not true that the Supreme Court of the United States—a governmental branch presumed to be coordinated with Mr. Wallace—did not once rule that a processing tax is unconstitutional. But the millers' man says Mr. Wallace thinks he has fixed that. He will not call the two-cent-a-bushel impost a processing tax. Under a new name he thinks it might get by.

5,000 Taxed Out of Their Jobs

ONE thing leads to another. A few years ago a man who employed 5,000 men in 30 acres of floor space closed the shops, and got out of business. He had been making money, he had stacked up a nice fortune, and he had no more labor troubles than might be considered normal.

"I had reached a point in my business at which the Government would take most of my profits away from me," he explained. "What would have been left to me was not worth the trouble. So I just quit."

Does His Own Giving Away

THE tax on the comfortable income he had left seemed excessive to him. Perhaps he lost his temper. That is one of the possibilities the young men who have been writing the first drafts of tax laws seem to have overlooked. It is known as the law of diminishing returns. He observed that the Government is giving away a great deal of money. Therefore he is giving away a great deal of his income and thereby escaping a great deal of tax. Charity and philanthropy have been the gainers. But if he had not been taxed so heavily he would still be in business and 5,000 men would have jobs.

Comfort for the Heavy-hearted

SOME slight cheer may be offered at this point by reference to a recent and rather generally overlooked decision of the Supreme Court. The Bureau of Internal Revenue had ruled that improvements added by a tenant and which

will become the property of the lessor at the expiration of the lease must be taxed as income:

"Nothing doing," said the Supreme Court in far more formal phraseology. "Congress did not intend anything of the sort and Treasury regulations can add nothing to the sum of incomes as prescribed by Congress."

Only those who own property which is being improved by the lessee will be comforted by this.

Patman's Bill Needs Blood

THOSE who think they know, and in a matter of this kind that kind of knowledge is fairly dependable, think that Representative Wright Patman's anti-chain-store-bill will

not pass. It provides a graduated tax on chain stores, just as in last year's bill. Those who think they know say that whether or not Patman is right in principle the House is in no temper this year to disturb a type of business which pays \$225,000,000 annually in taxes. It is also recognized that a serious dislocation of real estate conditions might follow in many neighborhoods if the chain stores were wiped out. Still quoting those who think they know, the House is in a humor to let business go on about its business.

Love and Kisses in Bear Market

THE House—continuing quotation as above—is no longer so sure that sweetness and light can be substituted for mathematics in business affairs. It leaped at the chance to slather goodness and mercy over every one when the great hydroelectric projects were first proposed. It is discovering that where these projects have a chance of profitable operation it will often be at the cost of tax-paying, privately owned utilities. That's a headache to begin with. Where they cannot be operated on a cost-paying basis they will continue to be tax-eaters. The House—continuing quotation—may prove to be almost querulous about these fountains of political light.

Norris in the Great Silence

IT CAN hardly have escaped public attention that the forthputtings of Senator George W. Norris of Nebraska during the past few months have been marked by a quality of reticence that approaches chill. His announcement that he would not give the country an option on another term in the Senate was almost coincidental with the reports from Nebraska that his little T.V.A. in that state is a wash-out. These reports may be roughly summarized to the effect that at the cost of more than \$61,000,000 the little T.V.A. can produce painfully little power, that there is a market for only a small part of what it can produce, and that the quality of Nebraska's loess is such that when the dams are not giving trouble the sub-surface water-spread is spoiling farms.

Shoot Another Ninety Million

THE reports continue to the effect that, in order to save a number of highly placed faces, the plan is to buy out all the privately owned utilities in Nebraska and as many municipally owned utilities as can be bought and hook them up to the little T.V.A. An agreement for the pur-

chase of two utility companies at a cost of more than \$20,000,000 was assented to almost overnight by the F.P.C. C. E. Beals, secretary of the League of Nebraska Municipalities, asked that the deal be held up until the League could be heard, but the F.P.C. declined. The reports continue that if the deal goes through for the purchase of the other utilities another \$50,000,000 may be needed. Mathematics therefore shows Mr. Norris's venture into public ownership for the state of Nebraska will run to \$130,000,000 at a minimum. The only dependable income will come from the once-privately owned utility companies. They must carry a \$130,000,000 load. Oi-yoi.

And What Will Nebraska Do?

there is an understanding that the publicly owned corporation will continue to pay the same taxes to the state and the counties that the privately owned utilities did, but lawyers say that is not within the law. The state cannot pay taxes to itself. This is annoying to Nebraska, which advertises in the magazines that it is a debtless state, free of many of the taxes which elsewhere burden the flesh.

Unauthenticated and Unlikely

ONE of the recompenses to a gossip in a hard-eyed world is that sometimes a story may be retold which lacks complete verification. For example the yarn of the interview between Conway P. Coe, commissioner of patents, and two of the younger angels with bright faces. Mr. Coe had years of experience as a patent lawyer before he became commissioner.

He is reputed to think of the more common varieties of patent law as light reading:

"We think our patent system is entirely wrong," said the spokesman angel. "It should be completely changed."

"Why?" asked Mr. Coe. "What facts have you? What do you know about it, anyhow?"

Remember Story of Sabine Women

THROUGH subterranean ducts comes the story that the State Department is fairly certain of running away with the Commerce Department's cherished Bureau of Foreign and Domestic Commerce over its shoulder.

"Secretary of Commerce Hopkins agrees in principle that all foreign contacts should be handled through the State Department."

Sticking point at present seems to be that the men and women of the Bureau think State should give them the same moderate guarantee of job permanency that Commerce does. Whereas State is represented as being so snooty that it prefers to pick its men for itself.

State Almost Laughs at This

THE Mexican oil affair seems to have developed a kind of Pagliacci aspect. (You'll remember the little gentleman who laughed although his heart was breaking?) The good neighbor policy prevents the State Department from really bearing down on Mexico. Meanwhile Mexico is printing an English language newspaper called "Facts and Figures" which is filled with brickbats. On top of which the oil taken from the American companies is being traded through American channels for iron pipe made in England. None of these doings profits the United States. But the trained diplomats of the State Department have not discovered what is to be done about it.

Speaking of the Defense Plans

UTILITY men are understood to be ready to play their full part in the national defense program. They will expand their plants in the eastern manufacturing area until they will be able to provide all the power required in the wholly unexpected event of war. But—

"This is on condition that we are assured of fair treatment."

That is an oversimplification of their position, perhaps. In effect they mean that if the industry is assured of fair play it can get all the money it needs from investors, and if it is not assured of fair play it will not ask for any. They do not believe the 76th Congress is in any humor to appropriate millions for plant expansion under these conditions.

Continuing to Talk of Defense

IF THERE should be a war—or a war scare, which might be made extremely interesting—about the first thing that would go pop would be the railroads. P. Harvey Middleton, secretary of the Railway Business Association of Chicago, estimates that one-fourth of railway capacity would be employed if there were a national emergency and that the facilities would be strained to breaking point if hostilities were to break out. Persons with long memories will recall what happened when W. G. McAdoo was the railroad satrap in 1917. There is a real chance that enough money will be spent outright on the roads by the Government at least to make bridges and roadbeds passable for the enormous loads of wartime.

From Passenger Pigeons' Coop

ONE reason why Harry Hopkins was shifted from the leaky W.P.A. to the comparatively staunch Department of Commerce is that he might be of great assistance in bringing about the reorganization of the government on which President Roosevelt has set his heart. In Commerce are assembled a dozen or more wholly unrelated bureaus—the Lighthouse Service has little to do with the Decennial Census, for instance—and Mr. Hopkins does not pretend to know even a little bit about any one of them. He has no friends to protect in any one of them. He is presumably free of departmental jealousies and traditions and bargains and if he tells Congress that some of his bureaus should be shifted to another spot he will probably be listened to. Especially as he is well liked as a person. Senatorial estimates of Hopkins as an administrator appear in the daily press.

Hopkins Will Be Boss of Census

THERE are, if memory serves well, about 40,000 jobs to be given out when the decennial census is taken in 1940. Not that this has anything to do with anything. It is mentioned only as evidence of the low level of political gossip on The Hill.

Makes a Midget of Old N.R.A.

BEGIN with this fact: too many people in this country do not get enough to eat and the right kind of clothes to wear.

Follow with this fact: we are constantly producing surpluses of food and cotton and wool.

So the Administration is trying to work out some plan by which surpluses can be eaten up and worn out by those who need them. This is not the two-price plan, which died screaming in its cradle. But no one knows yet just what the plan is. It might be described as a holy aspiration but certainly not as a blue print. Co-

ordination plus regulation plus regimentation of private business plus more or less subsidy are the bones of it. The hope is that business will not be hurt and that the surpluses may be cleaned up as fast as they develop.

Guess-work On What's Coming

ONE of the elder oracles said:

"Never before have I had such trouble in sizing up a Congress."

He thinks it will turn thumbs down on bright new ideas, try to hold taxes within limits, spend about as much as the 75th Congress did, try ineffectually to take back emergency powers given the President, shake up W.P.A. very lightly, turn deaf ear to the Seven T.V.A.'s scheme, do a little in the way of reorganizing the Government, let the I.C.C. alone, and perhaps try to correct any defects found in the patent law. This last not very likely. No antitrust legislation of any importance this winter.

No One Rides Over O'Mahoney

SOME months ago this department registered its conviction that Senator O'Mahoney would not permit the angels with bright faces to manage the Temporary National Economic Committee of which he is the chairman. This department did not assume to quote the Senator, but merely to report that he looks like a man who can fight from any position. This prognostication seems borne out by the event. He has blocked several attempts to run the T.N.E.C.'s inquiry into business conditions along the lines of a feud.

Andrews Plans to Get Tough

WAGE-HOUR Administrator Andrews will smile out of the other side of his mouth pretty soon—the angry side. He proposes to bear down on employers who take a chance with the wage-hour law until they squeak. Employers who obey the law have been complaining vigorously against unfair competition and Andrews feels that he must protect them. Also he does not know what construction the courts may place on the law and he proposes to find out by making the violators defend themselves.

Suppose You Ran a Laundry?

IN New York the courts held the N.L.R.B. has jurisdiction over a utility engaged in intrastate business because it sold current to companies engaged in interstate business. The F.P.C. will assert its right of jurisdiction over an intrastate utility which likewise sells to an interstate company. Suppose that you ran a laundry and sent cleaned collars and cuffs across a state line? Or only bought starch that was not made in the state? Federal authority can make a wide spread under that decision.

This Is Too Hot to Handle

LABOR pressure forced the W.P.A. to accept the prevailing wage in place of the security wage. Under this rule skilled workmen work just enough hours each month at the prevailing wage to earn the sum they would have received under the security wage. Some men only work 48 hours a month. No one seems to like the idea. Even organized labor does not say much about it. But it's the Irish Sweepstakes to a Mexican peso that nothing will be done about it.

Important if This Is True

THOSE who know John L. Lewis say that husky gentleman thinks he has the C.I.O. eating out of his hand. He thinks he can head off any sit-down strike which may be threatened and so acquire sufficient merit with industry

and agriculture that C.I.O. can demonstrate its political power. In that case he could save the Wagner labor act and the N.L.R.B. unscathed. They also say he has no real thought of making a truce with the A. F. of L.

Big Sale of States' Rights

THIS department admires and compliments the *Daily Press Digest*, mimeographed for the information of the Social Security Board and its employees. It seems to tell the story of the day fairly in clippings from editorial and news columns, without any coloring of its own. An observation that "the situation in which Oregon finds itself demonstrates the plain fact that a state government which hopes to derive financial advantages from federal legislation loses its freedom to make what laws it chooses to apply in its own domain" is followed by a list of states which are now dickering with the Soc. Sec. Board. If they write the kind of laws the Board likes they will get the money. To quote from a reputed statement by President Roosevelt:

"That isn't askin' 'em. It's tellin' 'em."

Frankfurter, J., Will Assent

IT'S A fair guess that Felix Frankfurter, Associate Justice of the Supreme Court of the United States, will vote with the other members to make permanent a temporary injunction handed down recently. According to the record the Bituminous Coal Commission had agreed to hold confidential certain information it had asked for from operators. Then it changed its mind:

"Won't do it" said the B.C.C. "What are you going to do about it?"

The Supreme Court said that the B.C.C. has no right to make public that information. The incident is of primary interest to comparatively few people, but it is of real importance to every man who does business with the Government. Some of the bureaus have paid little attention to promises in the past.

Info from the Horse's Mouth

THE man who has made it almost his life's work to study Vice President Garner says that:

"Garner will oppose loose spending. He will urge conservatism. He will try to reduce taxes. He will try to keep the Bright Young Men off the congressional reservation. He will try to keep the Democratic party together. But Mr. Garner isn't so hot for a 'policy of appeasement.' Not to put an unduly fine point on it, Mr. Garner will try not to fight. But his toes are very tender."

An Authority vs. a Lawyer

DR. FREDERICK L. HOFFMAN, LL.D., once vice president and statistician of the Prudential Insurance Company, was asked by the Medical Society of the state of New York to study the problem of compulsory health insurance:

"It encourages public dependence, increases bureaucracy and the burdens of taxation, hinders medical progress and brings the regimentation of the medical profession to virtually the standard of a labor union," he reported.

Assistant Attorney General Thurman Arnold presented a different point of view when he charged various medical men with forming a combination in restraint of trade.

Herbert Corey

No Business Can Escape Change

In good times or bad, business continues to provide better things for better living

1 • AN ELECTRIC screwdriver has an adjustable clutch which can be set for any desired tension. The free spindle idles until operating pressure engages the clutch jaws. The clutch is easily adjusted.

2 • AN OIL of cedar which has been made non-volatile and is said to retain its insecticidal qualities indefinitely is now made for the saturation of wood, cloth, or paper. In different concentrations it can be used as a spray or as a termite resistant compound.

3 • AN ALUMINUM paint with improved vehicle permits pre-mixing without settling in the container. It retains gloss and leafing quality for an indefinite period after mixing and has no tendency to skin in the container even after opening. It is easily applied by brush or spray.

4 • AN ANTISEPTIC for industrial use kills fungi or yeasts in dilutions as small as 1:25,000. It is a white, odorless, crystalline powder free from inorganic mercury salts.

5 • A NEW typewriter has carriage and platen easily interchangeable so that one typewriter can do the work of two or more wide carriage machines. Also a special lever releases jammed typebars without soiling fingers.

6 • A NATURAL gas conversion attachment for a diesel engine makes possible the change from oil to gas or back again while in the field. The power characteristics are essentially the same on either fuel.

7 • TO LET two people hear the same telephone receiver there is a temporary attachment resembling a stethoscope. It is particularly useful for your stenographer or a witness to the call. It isn't a permanent installation.

8 • A NOVELTY in golf tees is a small horseshoe-shaped magnet to which with a short cord is fastened the wooden tee. A touch of the club to the magnet picks up the whole outfit.

9 • AN INDUCTOR compass recently developed is said to be practicable for general aviation use and for boats. It returns to a proper reading in less than half a second after pitching or banking. It requires adjustment only with the change in magnetic declination.

10 • SMALL LOT shipments of frozen foods, fish, flowers or other perishables are facilitated by a new refrigerated container of 10 cubic feet storage space. It uses dry ice or water ice to maintain a temperature either below or slightly above freezing.

11 • FILES FOR storage of inactive records offer accessibility with space-saving. They are made as steel cases with drawers. They stack securely with an interlocking device that requires no tools or bolts.

12 • A NEW material for dinnerware is said to combine advantages of china and glass. It looks and feels like china, but is stronger, will not "craze" and is non-porous.

13 • WOODEN CLOGS for home, garden, beach, are made of grainless wood which is said not to warp, splinter or crack. The wooden sole is shaped to facilitate natural walking.

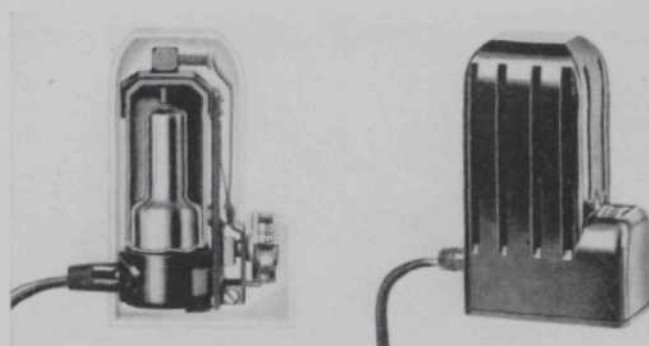
14 • AN ELECTRIC carriage form-writing machine permits the operator to tabulate directly to any desired column on the form by pressing the key which selects that column. With a front feed device checks or small forms may be inserted without disturbing the large form in the machine.

15 • A NOVELTY for cleaning ice, fog, or steam from windshields is a rectangular device with metal blade, hard-rubber blade, and soft-rubber wiper on three sides. It's also useful for washing mirrors, pictures, and removing paint from windows.

16 • A SMALL contour grinder, with motor mounted under the table on a tiltable frame, takes files or wheels for a variety of jobs in making dies and templets. The motor may be removed for tool post lathe grinding.

17 • A FLEXIBLE hose for oil connections has a metal core covered with cellulose laminations. Outside is a synthetic rubber cover protected by a metal braid to prevent elongations under pressure. It offers permanent resistance to oil at any operating temperature.

18 • BELLOWS MADE of stainless steel are now available for expansion units, valve seals, pressure regulators, thermostats, governors, vibration absorbers and other uses. Made of thin-walled tubing, they are gas and liquid-tight and withstand temperatures of 1200 degrees Fahrenheit.



24 • INDIVIDUAL room temperature control in a one-pipe steam heating system is made possible by an easily installed thermostatic air valve on the radiator. The device can be set for any temperature between 60 and 80 degrees.

19 • OFFERING UNUSUAL speed and economy for copying records in actual size, an electric photo-copying device has been developed which requires no darkroom, exposes automatically, prevents distortions.

20 • A NON-BURNING lubricant for conveyor chains operating in baking and enameling ovens has been developed. It is a special graphite in a volatile liquid. The carrier evaporates leaving a thin deposit of lubricating graphite.

21 • FOR AUTOMOBILE windshields a transparent material is said to prevent fogging and frosting of glass. It is applied without air space or tape, does not distort so that it may be left on all year.

22 • A SOUND muffler that can be placed at any point in the intake or exhaust system of an engine or compressor has been developed. The sharp report of the exhaust and also the rumbling sound are said to be eliminated.

23 • A NEW clothes hanger has a special clip for use when it is outdoors. This prevents the hanger from dropping off the line, and keeps it straight so that other clothes are not crowded.

—WILLARD L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

Big Business for Little Men

By GEORGE SYLVESTER VIERECK

HE CAME from the Middle West. His cheeks were ruddy, and there was a touch of gray in his hair. He looked in the mirror of the Pullman smoking room. He seemed pleased with himself, with the flower in his buttonhole, and with his tie which he readjusted continuously. He caught me smiling at that small vanity.

"Father's Day," he said. "My kids bought me this tie with money they earned themselves."

"How old are they?" I asked.

"Bill is 12 and Jack is 14."

"They must be little business men."

"That's exactly what I want them to be," my fellow traveler replied. "Their mother gives them a good moral and spiritual foundation and an appreciation of the arts. In school they cram their heads with abstract knowledge. But no one tells them about the base of all society—business. I have always believed that a knowledge of economics is essential in a civilized world based primarily on business. Learning, aside from the disciplinary value of acquiring it, is futile unless it helps us solve the problems we face after we leave school."

"It may be admirable for a child to be able to describe the vestibule of a Roman house; but I think it is much more valuable for him to know something of the foundations on which his existence rests. The trick is to find the way to show youngsters just how these things touch them. I think I have found the way."

"Won't you tell me?" I asked.

I leaned back, smoking a cigarette, while he talked. It was not entirely a monologue; I interrupted now and then but I shall give the story in his own words:

Several years ago our family was considering buying a home in the coun-



"My boys bought it for me with money they earned themselves."

A FATHER'S story of how and why he is attempting to give his boys a knowledge of that science which is the basis of all society—business

try. Bill and Jack were present when negotiations were going on. I had told them that the transaction was important to them, involving their future to a large extent. But the business bored them and they started to play marbles. When I pointed out that they could now hear an illustration of some of the arithmetic examples they were doing in school, they listened.

But, though perhaps they did learn something about mortgages, right of way, and other things, it was evident they were more interested in their marbles.

A little later we bought an electric

railroad for our boys. As soon as it was installed it created disturbing problems. Questions of ownership and control arose. The boys couldn't agree on questions of policy. We argued with them that they owned the railroad jointly. The fact remained that Jack wanted to run the trains one way and Bill wanted them run the other.

Who should be engineer? Who should supervise the switching? Who should determine the number of cars in a train? We had four wrecks, three short circuits, and two fist fights.

I thought of exercising the right of eminent domain and confiscating the railroad as a public nuisance. I also considered buying a second train to give each boy a railroad of his own. Either solution was a confession of pedagogic bankruptcy.

Birth of a corporation

ONE afternoon, coming in from work, I found Jack sitting on Bill. He had sat there nearly two hours.

"Why don't you let him get up?" I asked.

"He says he won't surrender, and if I let him up he'll jump on me."

Suddenly I had an inspiration. I proposed to incorporate our railroad.

We drew up a solemn agreement under which Jack and Bill sold their interest in the road to the Jack and Bill Missouri River Railroad Corporation. Jack and Bill received 45 per cent of the stock each. I took ten shares for my services, thus assuring myself control in future disputes between the other stockholders. We issued neither preferred stock nor bonds.

I explained the nature of a corporation.

Hereafter, I told them, their ownership and their responsibility were

limited. Jack had gathered in school a shrewd idea about corporations.

"A corporation," he said, "does not have to pay its debts." He wondered why, that being the case, everybody did not conduct business as a corporation.

He fixed me with a speculative eye while I assured him that every person, natural or artificial, must pay his debts.

"A corporation is an artificial person," I told him, "created by law. You are a natural person. A natural person dies. But the artificial person, the corporation, theoretically, goes on forever. I added, of course, that, by incorporating their railroad, they had limited their liability for its debts. If their road could not pay its debts, the law could take it away from them, but could not seize their other possessions in payment; whereas if they owned an unincorporated railroad they were responsible for any obligations which it might incur.

That brought us around to the matter of control. Issuing stock, I told them, made it possible to subdivide their property in such a way that they could sell shares to others without losing control. All they needed to do was keep 51 per cent of the stock.

Immediately Jack's eyes brightened.

"Daddy, how much will you take for your stock in the B. & J. Missouri R. R.?"

"How much will you pay for it?"

He hadn't an answer for that until we had gone a little into the matter of railroad financing. Then he proposed to pay me with a bond issue pledging the property of the road. Bill lined up beside Jack and the two summoned all their powers to coax me into selling. I remained adamant.

Minutes proved necessary

WE issued 100 shares of stock without par value, in accordance with our agreement. Bill designed the certificates. We duly elected Jack president, and me treasurer and secretary.

At meetings of the board of directors we mapped out regulations. We appointed a passenger agent, a chief engineer and a conductor, each office rotating at regular intervals among the stockholders.

At first we kept no minutes but soon a dispute arose over what had been decided. After that we kept permanent records.

Jack had an exciting thought. Why not list the stock of the B. & J. Missouri R. R. Corporation on the Stock Exchange?

Both boys were disappointed to learn that this could not be done because our shares were not widely enough distributed to constitute a "free market." We should have to submit to the Stock Exchange—supposing we were acceptable to it—minute reports at regular intervals, I explained, and that would overburden the secretary and treasurer and would compel the company to disclose its secrets to the public.

How about the Curb, then? Hearing that the Curb would also consider our capitalization too small to create a market for the stock they reluctantly gave up the idea.

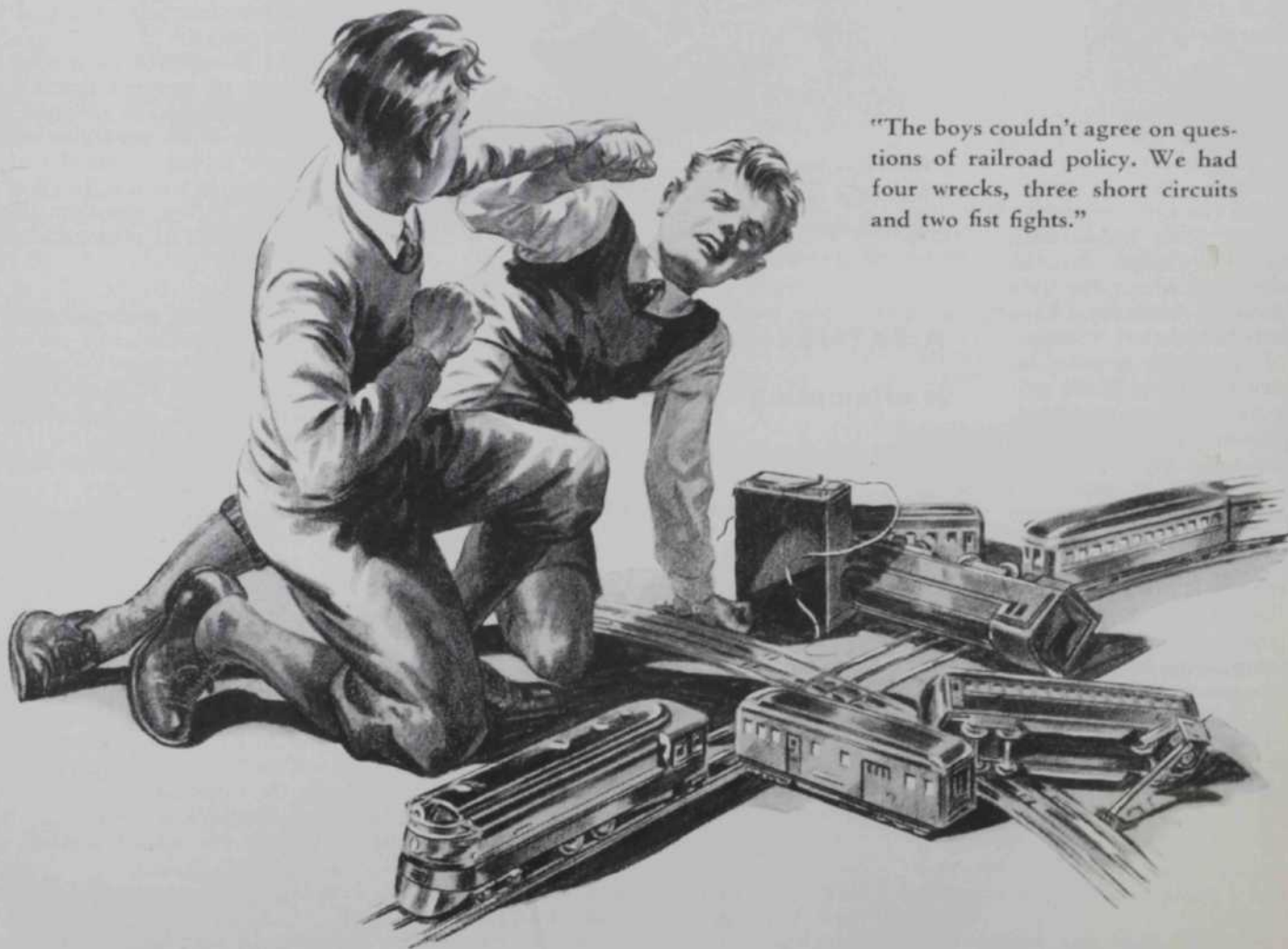
"Where *can* we sell our stock?" Bill demanded.

"Only over the counter, like a pound of cheese," I said. But I assured them that we were in good company, since most bank and insurance stocks are sold over the counter by dealers who specialize in selling unlisted securities.

The stock market had assumed for them a live and permanent interest. To keep this interest alive, I gave to each of them five shares of bank stock. The idea was to teach them how money worked. The day they became stockholders of a Midtown National Bank, the bank took a definite place in their lives.

When they received their first divi-

"The boys couldn't agree on questions of railroad policy. We had four wrecks, three short circuits and two fist fights."



check

Your present routine may require your office force to build toward peak loads.

By planning your work so that each set of records is completed and proved as it is written, the volume maintains a steady level and does not accumulate into a peak load at the end of the day, week or month.

check

Your operators may be preparing related records in separate operations.

Hours can be saved—energy can be conserved—by posting several related records (such as payroll, earnings record, earnings statement, pay check or envelope) in one operation.

check

Your adding machine operators may not be using the fastest method.

With the modern Burroughs Short-Cut Method of listing and adding amounts, speed is obtained by eliminating needless operations.

check

Your operators may be obliged to handle the same figures two or three times.

The modern way is to use a two-total machine which accumulates the grand total or net result automatically while the operator makes the individual calculations.

How am I going to meet this Hours Problem in my office?



"Why can't we arrange our work to avoid that expensive peak?"

"Is it necessary to type and compute in separate operations?"

"Is there a faster way to list and add figures?"

"Why can't we write related records at one time, instead of writing them separately?"

By surveying the routine on each desk you may find that you are handicapping your office force unknowingly by requiring them to perform many operations that might be shortened or eliminated.

Your local Burroughs representative is fully qualified to suggest many practical short-cuts that save time and money.

Why not telephone your local Burroughs office today?

SEND FOR THIS BOOKLET!

For the executive concerned with the problems of conserving clerical hours, this new booklet contains many specific suggestions for readjusting office routine. Send for your free copy today on your own letterhead. Address Burroughs Adding Machine Co., 6002 Second Blvd., Detroit.



Burroughs

Burroughs can make unbiased recommendations for each desk because its range of adding, calculating, accounting, cash handling, statistical, and forms-writing machines permits recommending the exact equipment to assure maximum short-cuts.

dend, the bank stood revealed as something well worth knowing since it earned money for them. How that was done was a puzzle to them. Trying to meet their questions on that point, I discovered grave omissions in my own education.

The boys followed the ups and downs of the markets. And they wanted to know something of my own investments.

I was encouraged to explain to them the major method of making money in stocks.

"Rothschild," I said, "became rich by always taking a profit. He made it a rule never to buy at the bottom or sell at the top. That is one way. Another is never to sell your stock. Buy good stocks and hang on to them."

I owned one bank stock which interested the children because it sold at a high price. One day, when it had taken a spectacular rise, I told them that would make it possible for us to go to the country this year. They were delighted.

mitted to deposit it in their savings account.

Our boys did not receive their allowance as a present. They worked for it by doing certain household duties. Although they could spend it as they pleased, within certain limits, the fact that it represented work made them think twice before spending a cent. Jack's eyes were caught one day by a horse race game in a toy shop window. It was within his means; it cost two dollars, and he had saved six.

A lesson in economy

I HAD no objection to his buying the game. But I suggested that his pleasure in it might be too short-lived to make up for the expenditure, not only of the two dollars, but for the loss of what two dollars, retained, would earn for him in a few years. Bill, who had just had a lesson in compound interest, did the multiplying with gusto. I flattered myself that I got

for portraits of one of the gods of baseball. Those brought two cents and, for some reason, the supply of that strip was limited.

Bill discovered one small store which still had a good supply. He bought the entire stock. He had a "corner" in the great baseball hero. As a result, he reaped a harvest of pennies, because his playmates were willing to pay two cents or even more per strip. Then suddenly came a rumor that a new supply of these cards was forthcoming. Immediately a drastic adjustment of prices was forced.

There is a definite and mysteriously appointed season for playing with these cards. Upon a certain day the season ends. That day came. It found Bill with a huge overstock of cards which he was willing to give away or sell for a song.

I advised him to wait until the next season, when he could sell or exchange them at a profit.

"It is no use," I told him, "to try to sell when everybody is bearish."

"What is a bear?" he asked.

"A bear claws prices and pulls them down."

Jack remembered hearing about a bull, too. I explained that a bull takes hold of prices with his horns and lifts them up. Though they didn't know all the words for it, the boys now understood that securities and commodities are affected both by psychological factors and by the law of supply and demand. They had some conception of the fluctuation of world markets.

Recently we became temporarily the foster parents of two boys, Roger and Charlie, who go to the same prep school as our children. Their parents, embarking for Europe, entrusted them to us. They lived at the school, but came to our house three times a week to have their necks washed and submit to a quiz on their conduct.

Putting capital to work

THEIR FATHER has considerable wealth but just the same has instilled in them a keen sense of the value of money. Just before he and his wife left, they gave the boys a parting gift—a kit for shining shoes.

"Do you know," some one asked my wife a few days later, "what Roger and Charlie are doing? They are shining shoes on the campus. Classmates' shoes, teachers', everybody's."

"For money?" gasped Mary, horrified.

"Yes. They charge five cents for a shine."

When taken to task, the little culprits were unabashed. They had merely put into action the idea of making

(Continued on page 67)



"Bill had a 'corner' on pictures of the baseball hero. He reaped a harvest of pennies. Then came rumors of a new supply."

"Don't you think, Daddy, that you had better sell it and take your profit?" suggested Jack.

"That won't be necessary," I told him. "I can borrow money against it without disposing of it at all." (I did—unfortunately.)

When the boys learned that banks have money to lend, Bill wanted to know where they got it, and I got a chance to show them one good reason for putting money into the bank. Each boy has a savings account and I make it a point to double any amount they save out of their allowance—providing, of course, I am per-

over successfully the idea that money is alive.

Of course the day came when I was called upon to clear up the mystery of why stocks go up and down. It happened that just then an illustration of the law of supply and demand was available to the children's own world.

It was the season for playing with picture cards, and the entire juvenile population of the neighborhood was traveling from stationery store to stationery store to buy the pictures particularly wanted. They came in strips of ten: price, a penny; except

A DAY IN THE LIFE OF DONALD MARTIN



1. Donald Martin is an agent for the Metropolitan Life Insurance Company. A life insurance agent is known as a man who sells. But wait—that description isn't broad enough for Donald Martin. Like other Metropolitan agents, he not only sells insurance but does many other helpful things. Let's follow him from his home and see some of the things he does.



2. Here is Donald Martin in Mrs. Work's home. Mrs. Work greets him pleasantly and little Lucy says "Hello." This is not a call to sell insurance. Mrs. Work pays Donald Martin 30 cents, and he writes a receipt in a little book she keeps. This money, which Donald Martin comes to collect every week, pays the premiums on the Works' insurance policies. (This system of collecting small weekly or monthly premiums has made life insurance available to millions of the very people who need it most.)



3. Now we find Donald Martin calling on Mrs. Brown, who is ill. "With your doctor's approval, I'm asking one of our visiting nurses to drop in to help him," says Donald Martin. "But you know I can't afford a visit from a nurse," says Mrs. Brown. "You needn't worry," replies Donald Martin; "Metropolitan will pay this nurse." (Metropolitan's Visiting Nursing Service, which is available to the Company's Industrial policyholders in over 7200 communities, is part of Metropolitan's broad program to promote better health.)



4. Here, Donald Martin, in passing the Davis' house, sees little Nancy looking dolefully out of the window. "What's the matter with Nancy?" he asks. "Oh, she has the sniffles—a little cold, I guess," answers Mrs. Davis. "Well, don't take any chances," says Donald Martin. "Here's a Metropolitan booklet on colds. Read it carefully." (About every half second, a Metropolitan booklet on health is placed in someone's hands.)



5. Next we find Donald Martin in the office of Mr. Henry Lent. And this time he is selling life insurance. He is selling an insurance plan that will provide for Mr. Lent's family if he should die and will pay Mr. Lent, if he lives, a regular income from age 65 on.



6. This duty makes Donald Martin sad—but also proud. He is paying the insurance money to the widow of a policyholder. He is sad to lose his friend, but proud to place in the widow's hands money she badly needs—and to do it so promptly. Every effort of an efficient organization is directed toward getting money for death claims into beneficiaries' hands as quickly as possible.

COPYRIGHT 1938—METROPOLITAN LIFE INSURANCE CO.

This is Number 10 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



Plan to visit the Metropolitan's exhibits at the Golden Gate International Exposition in San Francisco and at the New York World's Fair.

The Map of the Nation's Business

By FRANK GREENE

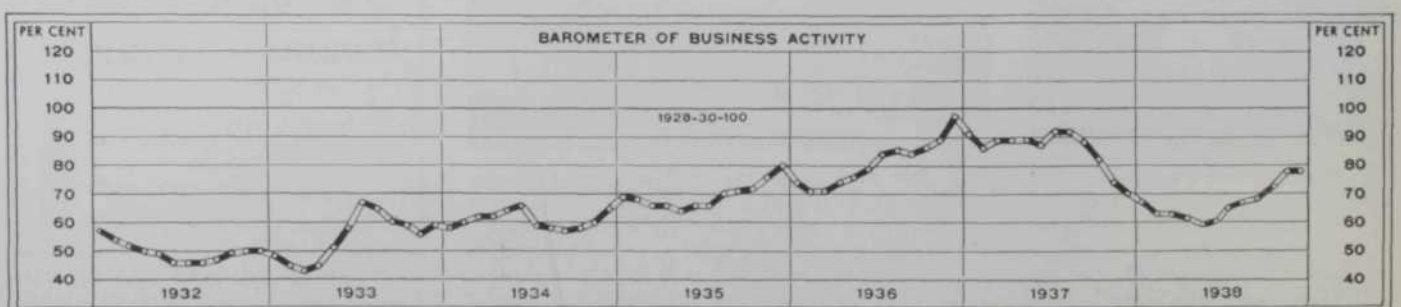


THE year 1938 closed on an optimistic note, featured by unusually heavy Christmas buying which left retailers and department stores in many sections with sharply depleted inventories. Securities markets also showed improvement after early weakness. Steel output was seasonally lower. Automobile manufacture was well sustained, exceeding the previous December by 26 per cent, although tapering off at the month-end.

Electric power production reached all-time highs. Highest engineering awards for the month since 1927 reflected enlarged public construction. Increased carloadings indicated improvement in rail earnings. Commodity price movements were mixed, except for a general rise in grains. Higher wheat prices reflected improved demand and unsatisfactory winter crop reports.

Volume of bank debits was even with December, 1937, while clearings moved ahead by 7.3 per cent. Business failures fell 13 per cent under the same month of the previous year.

Unexpectedly high volume of holiday buying throughout many sections of the country helped to whiten the Map



The rapid and continuous rise of the Chart from the low point reached last Summer showed signs of leveling off in December, due to holiday shut-downs in industrial operations

PARABLE

made to order for YOUR BUSINESS



A big-league pitcher developed a curve that baffled the canniest batters. The coach of a good minor-league team discovered the secret "twist," and approached his star moundsman. "Nothing doing," was his pitcher's reply. "That may work fine in the BIG leagues. But my problem is different. This is a MINOR league!"

C

OMPTOMETER representatives are occasionally confronted with this reaction:

"Certainly, the Comptometer is an excellent figure-work machine. We're aware that Comptometers are doing an outstanding job of time-and-money-saving for hundreds of leading *large* concerns. But our problem is different. This business is *smaller!*"

It is true that Comptometers play a major role in the figure-work efficiency of such "big-league" organizations as Timken Roller Bearing Company, Swift & Company, United Airlines, Eastman Kodak Company, and many others.

It is also true that the Comptometer, and Comptometer methods, provide smaller businesses, using one or two machines, with a means of increasing efficiency

and cutting down the time and cost of handling simple or involved figure work.

The savings effected by the Comptometer are more than a matter of this machine's extreme speed . . . its adaptability to every phase of figure-work routine . . . its unique and exclusive "Controlled-Key" which literally *compels* accuracy.

Comptometer savings are also a matter of METHOD . . . largely eliminating copying and posting of figures, duplication of labor, and other sources of error.

Our representatives are prepared to show you, in your office and on your figure work, exactly how Comptometer methods apply to your particular problems. Telephone your local Comptometer agent, or write direct to Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois.

COMPTOMETER

Reg. U. S. Pat. Off.



Standard Model J Adding-Calculating Machine

Leaders in the March of Business



C. H. C. Pearsall (left)



Cliff Bishop and W. J. O'Neil



J. Lester Perry

C. H. C. PEARSALL, national president of the Propeller Club, is the new vice president of the Atlantic Gulf and West Indies Steamship Company which operates 44 ships in the Caribbean and East and Gulf coasts service of the United States. He entered the shipping industry in 1915 with the Clyde Line. He is noted for his vigorous activities in the interest of an adequate American merchant marine.

J. L. Perry, head of the Carnegie-Illinois Steel Corporation, whose new Irvin Works in the Pittsburgh district was recently completed. It is the major project in the U. S. Steel Corporation's huge modernization program. Mr. Perry began his career as a cost clerk with the American Steel and Wire Company in Worcester, Mass.

W. J. O'Neil succeeded K. T. Keller as president of Dodge Bros. Corp. The latter, who has been president since the Dodge division was acquired by Chrysler Corp. 10 years ago, is head of the parent corporation. Mr. O'Neil joined the Maxwell Motor Company in 1921; became master mechanic in 1926 and plant manager of the Dodge division in 1928.

Daniel Willard, 77, who was reelected to serve his 29th year as president of the Baltimore & Ohio Railroad. Among the highlights in his career have been forward progress of the B. & O. under his direction; his championship of lower passenger fares; his willingness to make liberal settlements in labor disputes, and, more recently, his suggested plan to reduce interest rates on the bonded indebtedness of the B. & O. R. R.

Franklin T. Griffith, president of the Portland, Oregon, General Electric Company, has been elected Portland's First Citizen for 1938. Without benefit of a college education he became a successful lawyer and president of Oregon's largest electric utility. The citation says: "Frank Griffith is eloquent living proof that a big business man can be a blessing to his home community, that it is no crime to be highly successful."



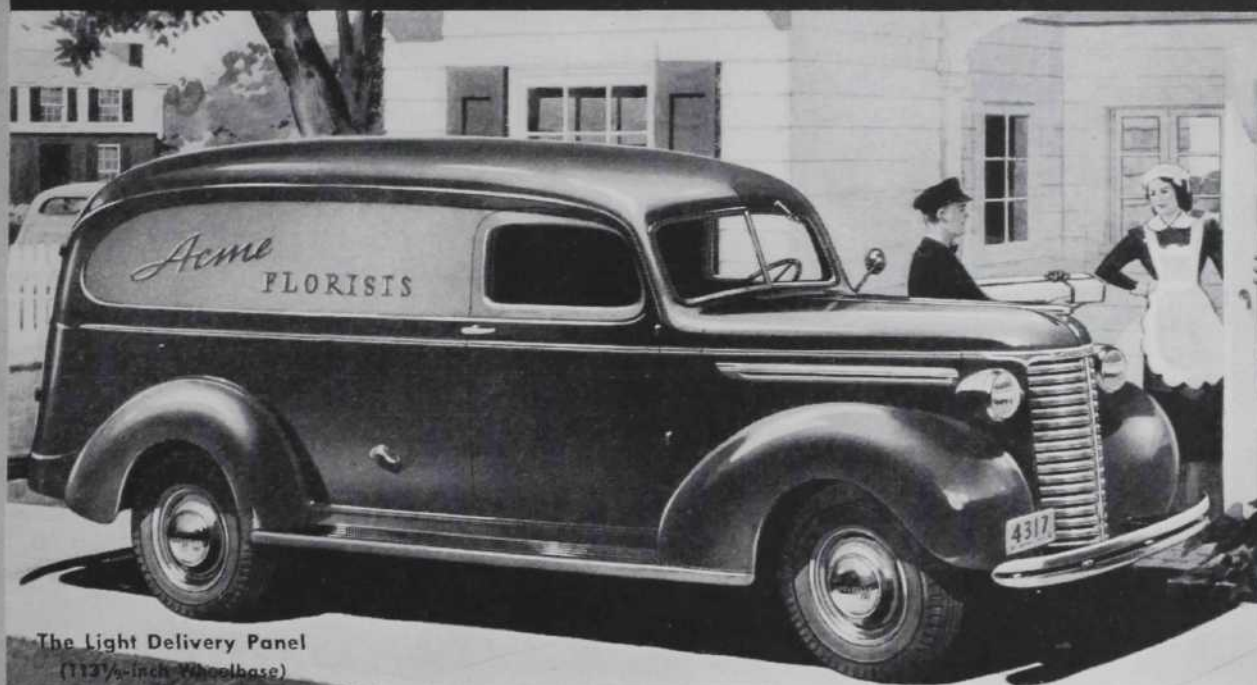
INTERNATIONAL
Daniel Willard (right)



F. T. Griffith

NEW 1939 CHEVROLET TRUCKS

QUALITY MAKES VOLUME — VOLUME MAKES PRICE



The Light Delivery Panel
(113 1/2-inch wheelbase)

THE NATION'S LARGEST BUILDER OF TRUCKS

brings you higher quality trucks . . . lower prices . . .
greater value for your money

FEATURES

NEW LONGER WHEELBASES • MASSIVE NEW SUPREMLINE TRUCK STYLING • FAMOUS VALVE-IN-HEAD TRUCK ENGINE • NEW SUPER-COMFORT CAB • VASTLY IMPROVED VISIBILITY • POWERFUL HYDRAULIC TRUCK BRAKES (Vacuum-Power Brake Equipment optional at additional cost.) • FULL-FLOATING REAR AXLE, on Heavy Duty models only. (2-Speed Axle optional at additional cost.)

It is only natural that Chevrolet, the nation's largest builder of trucks, should be able to give you the greatest truck values on the market today. That's exactly what Chevrolet does give you in these new 1939 Chevrolet models! They're bigger, sturdier, more capable, with every modern feature, and they sell at the lowest prices ever quoted on trucks of such outstanding quality.

CHEVROLET MOTOR DIVISION
General Motors Sales Corporation
DETROIT, MICHIGAN

General Motors Instalment Plan—convenient, economical monthly payments. A General Motors Value.



New Chevrolet-Built
CAB-OVER-ENGINE MODELS

Entirely designed and entirely built by Chevrolet . . . offering amazing new triple savings . . . the threefold economies of extra big load space, Chevrolet's new lower prices, and Chevrolet's exceptionally low operating costs. Ask your Chevrolet dealer for a demonstration—today!

THE THRIFT-CARRIERS  FOR THE NATION



LINCOLN IN DEBATE WITH DOUGLAS

"In this and like communities, public sentiment is everything. With public sentiment, nothing can fail. Without it, nothing can succeed. Consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed."

YOU HEAR much earnest talk these days about "public-relations advertising." People nod gravely and say it is a good thing. Something should be done. Maybe a note enclosed with dividend checks. Or a letter to dealers.

But public opinion is not ten people or a thousand. Or even a million.

Public opinion in America is the voice of five, ten or fifteen million people who say what they think and carry the rest of the nation with them.

Ask advertisers who are *doing* a good job of "public-relations advertising" how many people they need to reach, and see what they say.

Ask them *where* they advertise, and you will find that last year they spent more money in The Saturday Evening Post than in any other magazine. Almost as much, in fact, as they spent in *all other magazines combined*.

"With public sentiment, nothing can fail. Without it, nothing can succeed."

THE SATURDAY EVENING POST

We Tried to Build a Business

By HELEN AGIN GORDON

A CONDENSED handbook for the guidance of those who still believe that management has nothing to do but take in the money

THIS is not a success story. So, to those who expect a Horatio Alger finish, with the hero or heroine overcoming all obstacles, it will be a complete disappointment. But any one who may be thinking of starting a small business may use it as a handbook on what not to do.

I used to think that high courage and the will to succeed were all that was necessary to make a business hum. That was before we decided to build up a business for ourselves. We had the following assets: four grown children ready to help; a business building in a good neighborhood with one room empty; a small cash reserve; a dental profession to back us up until we were on our feet, and of course courage and will to succeed.

We took stock of our room one bright April day and this is what we found:

The floors were in bad condition. One spot about eight by ten had to have new flooring where the former tenant had a meat cooler. The walls were ruined where the shelving had been torn loose and had to be patched. The entire room needed painting. We had to have hot and cold running water, awnings because we faced west. The furnace had to be replaced. We weren't too discouraged at first because we would have had to do all these things for a new tenant.

We had decided to run a sort of dairy lunch with short orders, plate lunches, sandwiches, ice cream, cold drinks, fountain service, cigarettes, candy and various odd items. Since there was no delicatessen for blocks we decided also to have a small stock of canned goods, crackers, cold meats, cheese, milk and butter.

After shopping around extensively, we bought all our furniture and equipment from one man. That meant only one debt, except for the partitioning, shelving, painting, fans, neon signs, new furnace and plumbing. It was a

big debt and we hadn't stocked up or bought our various licenses. Our total debt by then was approximately \$1,500.

Attractive but too large

OUR ROOM was 26 by 63 feet. We partitioned off two rooms in the rear for a kitchen and a rest room which left us a front room about 40 feet long. This was mammoth as we discovered too late and the girls had difficulty in waiting on tables. However, the room was attractive when it was finished in green and ivory. There were booths along one side, tables through the center and, on the other side, a fountain, back bar and candy case. Along the wall next the kitchen was the meat case and shelving.

The kitchen was equipped with stove and hood, double sink, work table, ventilating fan and cupboard.

Most of these things were second-hand and that's where our trouble started. The meat case was mammoth, totally unsuited to a delicatessen. After it was installed it began to leak and several times a day, when it defrosted, a pool formed between the fountain and shelves. The children began to complain of webs between their toes and demanded either wading boots or a pogo stick.

The fountain also gave trouble. It had been an ice fountain but some genius had put mechanical units in it.

One cold day one of the units began to leak and we had to take refuge in the neighboring barber shop until the fumes vanished and the repair man had everything under control. The unit couldn't be repaired and we didn't feel like putting a new one in such a poor fountain. So we disconnected the electricity and used ice.

It was certainly enlightening to learn how many things one had to



Three teachers who bought the 25 cent lunch complained because there were no mushrooms on the Italian spaghetti

Keep Hammering!

MORE SALES MESSAGES MEAN MORE SALES . . .

PRODUCE THEM THE ECONOMICAL MULTIGRAPH WAY

How many of your prospects are only half-persuaded to buy? How many customers are only half-determined to re-order? You can turn *indecision* into *sales*. Keep hammering with direct advertising!

Thousands of businesses are getting more results by consistent hammering with economical Multigraph Methods. They are duplicating all kinds of sales messages in their own offices, *when* they want them, *as* they want them—in *just the right quantities*.

In the Multigraph line are machines and methods for every kind of quality duplicating—from simple, typewriter-style letters, cards, and bulletins to illustrated folders and broadsides in color. There is a particular machine and method to fit *your* requirements—exactly.

A well-qualified Multigraph representative will be glad to discuss a practical way for you to duplicate sales and advertising messages that build business and cut costs. Listing in principal city phone books is MULTIGRAPH SALES AGENCY. Phone them, or write to

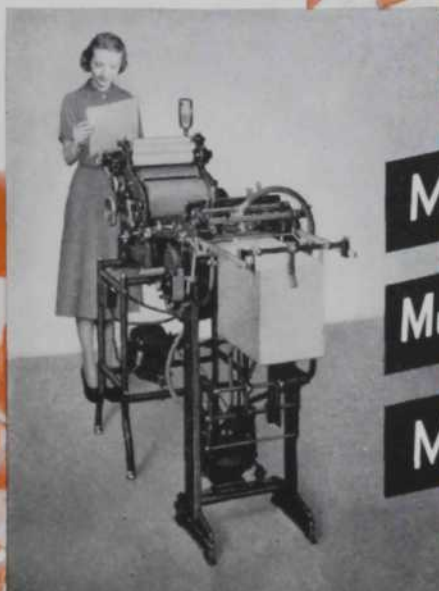
ADDRESSOGRAPH-MULTIGRAPH CORPORATION

Cleveland, Ohio

**ADDRESSOGRAPH-MULTIGRAPH
OF CANADA, Ltd., TORONTO**

Sales Agencies in Principal Cities

PERSONALIZED LETTERS
MAILING CARDS
ENCLOSURES
SEASONAL ANNOUNCEMENTS
CALENDARS
REPLY CARDS
CATALOGS
SPECIAL SALES OFFERS
PRICE LISTS
POSTERS



Multigraph

Multigraph Duplicator

Multilith

carry for convenience and also as a sort of drawing card for the public. Take milk, for instance. One had to carry that but one also had to sell two cases a day before there was any profit. It was a rare day when we sold half a case. Cigarettes will also bring customers. Of course, there was no profit, especially after paying a \$25 license fee. Our ice cream cost us 90 cents a gallon in bulk. Our dealer showed us how to dip cones to make them look big and weigh less.

Our ice man was most helpful on several occasions. Since we had no money to buy a bottle cooler, he showed us how to lay the bottles in layers of chipped ice to cool them quickly and bring out the hidden flavors. In regard to our lights:

"Now if I wuz you," he said, "I'd take out them big light 'bubs.' They cost too much to burn. And I'd put in them little bitty 'bubs.'" We followed this advice, but the girls complained about the darkened room and spoke grimly of donning miners' caps.

The beer question came next. The proprietor of the beer garden in the same block cautioned us against putting in beer.

"Nothing in it," he said.

Well, I believed that and still do although he is still going strong and we are out of business.

Too many unpleasant elements center about a beer hall.

Practically every salesman who came when we were getting started said we would make a success because we didn't handle beer.

"There are too many beer parlors," they argued. "People are getting sick of them. Women don't like to eat where they serve beer and they don't want their children going in places like that."

Almost all of them commented on our cleanliness and the catchy name "Snacketeria." They named several places in large towns where stores that didn't sell beer were doing a tremendous business.

Business was thin

WE smiled smugly to ourselves and waited for the neighborhood to support us. It was a good moral community with mostly home owners and a smattering of renters and boarders. They all drove nice cars and dressed well. The children had all the latest novelties and toys.

True, the children came in from the neighboring school for lunch and candy but bought their ice cream down the street where the store advertised 22 flavors. And their parents walked right by our place in the evening down to the beer parlor where there was music, an amusing drunk or two to watch, games of chance and all the other attractions that adults like these days.

If they did come into our place in the evenings it was for a loaf of bread and meat for the children's lunch next day.

Even after all this we still held out against handling beer. A man would be required at all times and we wanted

to run the business ourselves. Then there would be the added expense of a cooler, beer dispenser, separate sink, more glassware, plumbing and another rest room. All in all it would have cost \$1,200. But, we argued, it would be worth it to have our place filled every night like the one down the street. Then another salesman came in and gave us the low down on what we could expect if we put in beer:

"You've got a nice family here and you don't want them pawed over by a lot of drunks and have them hearing a lot of smutty remarks. It's too hard anyway to carry those trays hours on end. Don't do it."

So we gave up the idea entirely and tried to bring customers into the store by other means.

We had a lot of trouble getting good meats. Most of the butchers had us down as easy marks. We finally located one butcher who taught us how to save on certain cuts. I had always liked strip steaks but, after he explained that strip steaks were cut from "strippers" or old bossies who had outlived their usefulness in the dairy field, my appetite for them weakened. But as it is impossible to buy good steak and sell steak sandwiches at ten cents, I continued to buy them.

With this butcher's assistance we worked out a plan to serve T-bone steak or pork chop plates at 35 cents and make a little profit. With this lunch went potatoes, salad or stewed fruit, bread, butter and beverage.

Before this we had served roast beef or pork with the same items for 25 cents. I shudder when I think how much we lost on each one. We offered a second cup of coffee free.

More than one customer asked if the steaks were nice and thick; practically all of them wanted a second cup of coffee and a great many asked for extra bread. Dozens wanted fountain drinks in place of the customary coffee.

A few appreciated the new régime of short orders but some of our steady customers were put out. Before this we had put out a special each day—one day Italian spaghetti, one day Brunswick stew, etc. Once, three women school teachers came in when we had Italian spaghetti with meat balls. They were outraged because there were no mushrooms in the spaghetti. And they were getting spaghetti, meat balls, coleslaw, bread, butter and beverage for 25 cents.

Another woman always requested mayonnaise on her salad; not a few complained because there was no dessert at that price.

Truly we saved ourselves much



Every day he bought two cigars, cupcakes, an ice cream cone and then stayed an hour

"I Wonder What Time My Daddy Will Telephone?"

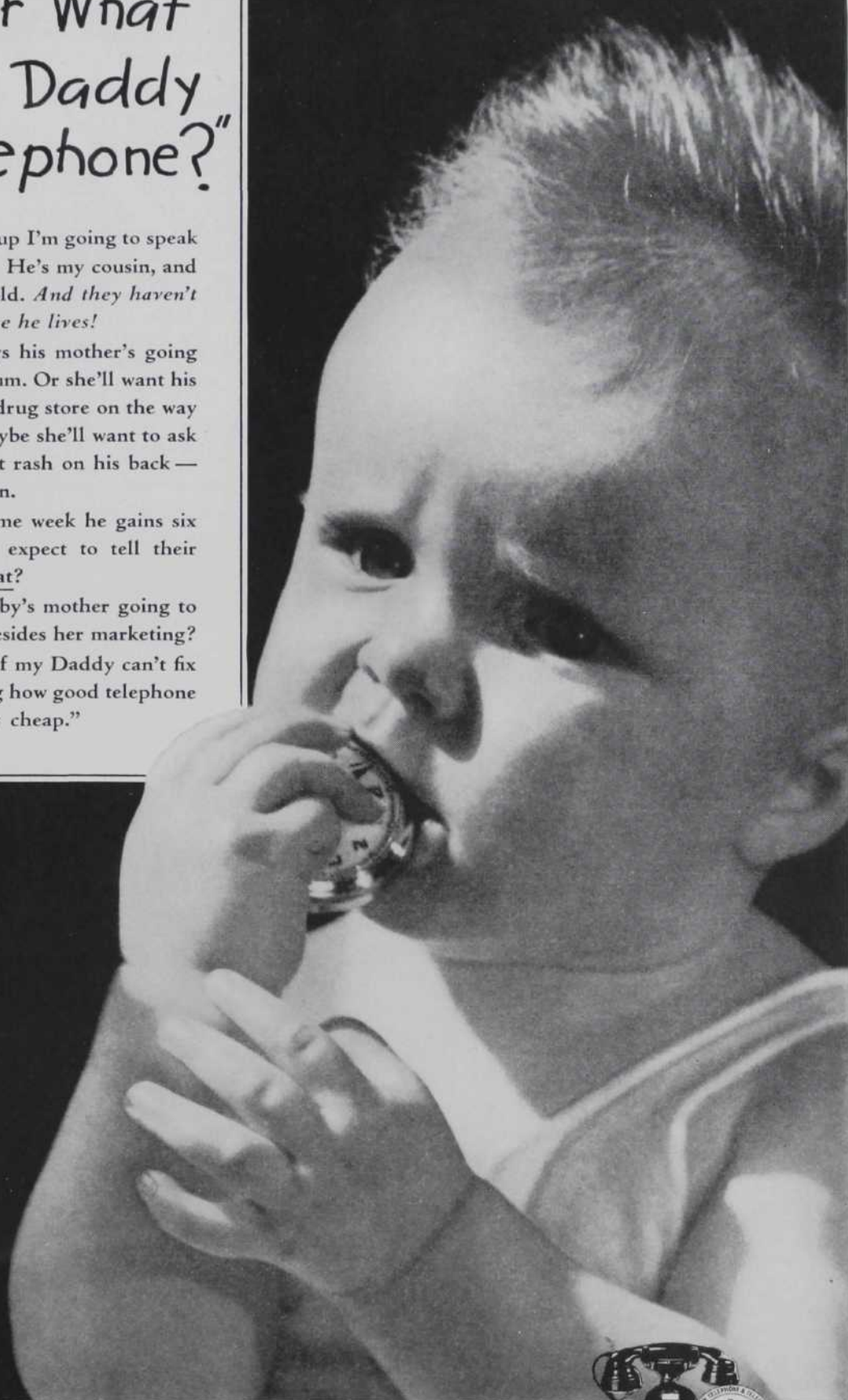
"The minute he calls up I'm going to speak to him about Bobby. He's my cousin, and he's just five weeks old. *And they haven't got a telephone where he lives!*

"One of these days his mother's going to run out of his talcum. Or she'll want his father to stop at the drug store on the way home for oil. Or maybe she'll want to ask the doctor about that rash on his back — Bobby's back, I mean.

"Then suppose some week he gains six ounces. Don't they expect to tell their friends news like that?

"Well, how is Bobby's mother going to do all those things besides her marketing?

"I'm going to see if my Daddy can't fix it. He's always saying how good telephone service is — and how cheap."



B E L L T E L E P H O N E S Y S T E M

You are cordially invited to visit the Bell System exhibit at the Golden Gate International Exposition, San Francisco



trouble when we cut out the 25 cent plate lunch. It eliminated the steam table and a lot of waste in overdone foods. With our new system we fried fresh potatoes for each customer and had our steaks and chops on ice ready to fry.

The school children only wanted soup, chili, sandwiches and ice cream and the other dozen or so we fed at noon switched over to the same or took the 35 cent plate.

We finally arranged, after several snarling encounters with our store-fixture man, to exchange the meat case for a counter, a bread case and several other items we needed. He was outraged because I wouldn't pay for the moving.

We had one customer who came in every day just when the girl in front had cleaned up the mess left by the school children. He would buy two King "Edderd" cigars, two for five, a package of cup cakes and an ice cream cone. We would have welcomed his patronage if he had departed with his

purchases. Instead he stayed one full hour eating and smoking, trying to engage the busy girls in conversation and meanwhile dropping crumbs and ashes all about him.

Another interesting caller was the WPA worker on a street job in front of our store. He brought in a dressed chicken and asked if we would keep it in our refrigerator until he went home that evening. Chicken! And we ate strip steaks. We agreed to do this and he was agreeably surprised when we didn't charge him for the service. He said he would send his wife in to deal with us. She came in the next day and, introducing herself, asked if we kept double decker cones. When we said we did, she wanted one and "be sure the dips are real big." This was her first and last purchase.

In our year in business many things were stolen including spoons, ash trays, menus, salt and peppers and even glasses.

Our last theft came when the marble game was smashed and rifled.

After that we did away with the games.

At this point it will be well to advise the reader that a child and adult trade will not mix, that is in our line of business. The children were noisy and demanded immediate attention and were discourteous to the adult trade. For instance, at lunch time about 15 or 20 children came in with a rush, scattering widely about the room, noisily demanding lunch. Adults could hardly hear themselves talk and they do like to talk during the lunch hour. In about ten minutes the children had finished lunch and were ready to buy candy, cones, school supplies and novelties. The girls had to work so fast at the candy case they often had blood blisters on their fingers from the sliding doors. In the meanwhile, other customers were coming in for lunch, standing ready to pay their bill or wanting cigarettes.

The sales tax was another nuisance. We were in daily fear of forgetting to
(Continued on page 68)



Joseph Bean at his last

AT 57, JOSEPH BEAN of Beloit, Wis., started from scratch. He had just been released as superintendent of a small shoe factory. Today at 75, he is a successful business man, operating the largest shoe repair establishment in Beloit, employing ten men, and at Rockford, Ill., his son operates a branch where another ten men are employed.

"A man doesn't begin to put his experience to use until he is almost 60," said Mr. Bean. "I expect to be in business for many more years. I enjoy it and find I am much steadier in the conduct of my affairs today than I was years ago."

Last year he began to manufacture children's all leather shoes with a plant capacity of 800 pairs a week.

Mr. Bean's method of hiring men is unique if not orthodox. Whenever he needs a new male employee he sends for a man on the relief rolls who is supposed to be "more sour" on the world than anyone else. If Mr. Bean thinks that he has succeeded in giving the man a new outlook on life, he hires him. He

Starts New Business at 57



He advertises his own city because it was "good to him"

believes that the bitter, complaining man is usually a disillusioned fellow who will make good when given a chance. Most men hired by him, thankful for being released from their former mental prison, are grateful to their employer whom they look upon as a benefactor and show their gratitude by painstaking work.

Because he was grateful to the city of Beloit for giving him an opportunity to make good at 60 and wished to make some donation to the city, he had a large sign painted along the entire length of his building boosting the city of Beloit and its industries.

—MARTIN FRANCIS



View of Bean shoe factory in basement of repair shop

More for your **MONEY** *in the* **ROTO** **SECTIONS**

Copy can go a long way toward selling products. But there are occasions when a picture can open a pocket faster than could any number of words. This is particularly true in the case of those luxury items with which women adorn themselves and their dressing tables.

Hence, to any advertiser faced with the problem of finding a medium which will enable him to picture his products in the most attractive of ways, the experience of Bourjois, Inc., given on the next page, should be of exceptional interest.



Kimberly-Clark Corporation
Established 1872 • Neenah, Wisconsin
NEW YORK 122 East 42nd Street
CHICAGO 8 South Michigan Avenue
LOS ANGELES 510 West Sixth Street

MERCHANDISE HAS GREATER *Appeal* IN ROTOGRAVURE

From Paris  Comes the Idea



SKIN AFFINITY[®] ...the Thrilling Quality in THE NEW EVENING IN PARIS FACE POWDER

Let the micrographs prove it to you
Photomicrographs made with the
assistance of Dr. Clarence R. Smith,
Consulting Chemist of New York City



One of the largest selling face powders.
Paris comparatively large particles, uniform in size and shape.

Never before in one face powder... this combination of beauty advantages

1. Exquisitely smooth, translucent.
2. Looks superbly natural.
3. Refines, softens features.
4. Covers the skin better.
5. Maintains loveliness longer.
6. Beautifies BOTH dry and oily skins.
7. Clearest, most flattering shades.

KEYED SCENTS—Evening in Paris Perfume, the "Trance" of romance, scents all the exquisite Evening in Paris preparations. Use it with your other Evening in Paris preparations to avoid "clashing odors". Evening in Paris Perfume, 55c to \$10.00.

Completely new... the first face powder to combine the best features of light and heavy textures!

TRY IT... and you'll exclaim: "I've been using only half a face powder until now!" For here's the first face powder to give you the most desirable quality of both light and heavy powder texture. Beauty experts have named the amazing quality in this new Evening in Paris Face Powder "Skin Affinity"... Because it actually seems attracted to your skin, it goes on so smoothly, stays on so evenly and long! Such superior staying and covering qualities usually have been associated with a "heavy" face powder, but this Evening in Paris texture is super-light! It is especially flattering, cause Evening in Paris colors are warm, clear and glowing. At drug department stores everywhere. General enlarged box, \$1.10.


Evening in Paris
BOURJOIS



PARFUMERIE

BOURJOIS

INC.



THIRTY-FIVE WEST
THIRTY-FOURTH STREET
NEW YORK

WISCONSIN 7-8170
CARLIS: POUJANAN NEWYORK
CODE: BENTLEY

NEW YORK

July 20, 1938

Kimberly-Clark Corporation
8 South Michigan Ave.,
Chicago, Ill.

Gentlemen:

We have been using rotogravure both for our Christmas advertising and that during the other seasons of the year, for many years.

In promoting sale of perfumes and gift sets, proper reproduction is, of course, one of the first essentials.

A glowing description is of little value if the packages and the sets are not pictured as beautifully as mechanical reproduction can make them.

Of course, we think that our gift sets are particularly attractive, and naturally we seek a process that will reproduce and charm, as accurately and naturally as possible.

We have found rotogravure of the greatest value to us, and with the constant perfecting of the process, particularly in color, it becomes each year of greater value to us.

Very sincerely,
BOURJOIS, Inc.
(Signed) S. H. Chambers
Advertising Manager

PARIS — LONDON — BARCELONA — BUENOS AIRES — MEXICO, D.F. — HAVANA

Kimberly-Clark Corporation

Established 1872 • Neenah, Wisconsin

NEW YORK

122 East 42nd Street

CHICAGO

8 South Michigan Avenue

LOS ANGELES

510 West Sixth Street

Gleanings from the Markets . . .

Shorts and et ceteras heard among those who buy and sell

Champion Cynic

DIRECT mail advertising men have discovered the champion cynic of the nation, says *Advertising Age*. He lives in Seymour, Conn. His sales resistance armor has the reputation of being all but impenetrable. He has a form letter for replying to mail advertising. It delicately informs the advertiser that his product, whatever it be, is not wanted now and never will be, so "Take my name off your mailing list and keep it off." The letter is mailed in the advertiser's business reply envelope, in all cases where one has been enclosed. That's an extra refinement of



his technique, the "most unkindest cut of all," since it costs the recipient four cents.

This case recalls a remark once made by a veteran industrial life insurance agent:

"When I see one of those signs that reads, 'Peddlers, beggars and life insurance men keep out,' I know it's duck soup for me—a sign the prospect is vulnerable."

Surplus Gluts Citrus Market

THE California Fruit Growers Exchange, for years the greatest example of cooperative marketing in the country, has run into difficulties. A huge surplus of oranges and grapefruit has broken down the California-Arizona Citrus Marketing Agreement. Independent growers practically withdrew from the pact and are selling in free competition with Sunkist. They say that markets cannot be controlled without the cooperation of Florida and Texas, which now account for some 38 per cent of the production, most of it in Florida.

Many Easterners who saw newspaper photographs showing tons of California oranges being dumped and destroyed ask why prices aren't lower. In truth, they are 20 to 30 per cent under a year ago which, according to food merchandisers, is a heavy drop in view of the fact that transportation charges on oranges from the West to the East Coast is about one and one-half times the wholesale price.

Many growers believe that elimination of third grade fruit may be the solution.

Much of this grade of oranges now goes to juice-canning plants, which leaves small room for diversion of the better grade surplus into this use.

Food chains and independent grocers are cooperating in the effort to move as much of the surplus as possible. According to reports, consumption is being stimulated considerably. Several of the leading organizations recommended to their members a maximum mark-up on citrus fruits that would not be in violation of anti-loss-leader laws, and to the growers suspension of sectional competitive differences.

A Job for Advertising

SPEAKING at a meeting of the Washington State Forestry Association, Prof. Bror Grondal said:

The red cedar shingle industry must soon make its product fire-resistant to survive, not because wood shingles are a greater fire hazard, but because the public has been convinced by advertising that they are.

Lumber men say the use of shingle roofing is increasing, relatively to other types, and that better grading is producing shingles that lie flat, therefore reducing the risk of ignition. They do not anticipate the general adoption of any fire-resistant process.

Professor Grondal pays a tall tribute to the influence of advertising. Perhaps the conclusion is that shingle men should do more advertising themselves.

"Send It, Please"

MEMBERS of the Detroit Retail Merchants Association have their eyes on the



customer who buys a pair of socks or two spools of thread and asks to have them delivered.

Three by 12 inch cards bearing signs with the request, "Please carry small parcels," were displayed in member stores during the holiday season in an effort to restrict needless handling.

In recent years excessive service demands, more particularly by women cus-

tomers, have increased retail operating costs to a degree reflected in prices of nearly everything. Delivery expense runs from one and one-half to two per cent of all sales in department stores, up to one and one-half per cent for hardware stores and more than one per cent in grocery stores.

Merchants in some cities have found that central delivery service cuts the cost without sacrifice of essential service. In Denver the average cost of ten to 20 cents a parcel was reduced materially by turning over the job to Package Delivery Service. Up to a certain point in size of the store this solution is usually an economy.

All Wool

THE Federal Trade Commission wants fabrics labelled to show fiber content and, in the case of wool, to indicate whether it is virgin or reclaimed. At a recent hearing on the wool question, Katharine M. Ansley, secretary of the American Home Economics Association, arguing for the labelling rule, went farther and asked for a mandatory order that labels show the percentage of each fiber in an article. Instead of a label such as "Reclaimed wool and Rayon" (indicating reclaimed wool as forming more than half the content) she would have it read "Reclaimed wool 70 per cent, Rayon 30 per cent." It would then mean something to the consumer, she contended.

Wool manufacturers, garment makers and retailer representatives, with a single exception, opposed wool labelling. They told the F. T. C. that, between weaver and retailer, the goods pass through so many hands and so many different operations that it would be difficult to do. They thought the distinction between virgin and reclaimed wool is meaningless to consumers and would only confuse them in buying, since an article made of reclaimed wool often may be of better quality than one from virgin fiber.

A Premium on Overproduction

LOUISIANA bakers complain through the American Bakers Association that the distribution of surplus flour in that state by the Federal Surplus Commodities Corporation has interfered seriously with the normal consumption of bakery products. "Underprivileged" families are said to have more flour than they can use. They have been giving it away or bartering it.

Bakers contend that the proper way to help the needy without hurting the employed is to distribute surpluses of finished goods only, to be purchased by the F.S.C.C. at less than market prices. That would avoid creating an incentive to overproduce, as the existing system does. In its dual effort to "stabilize" prices and feed the indigent the F.S.C.C. sometimes buys commodities at higher than market prices.

—FRED DEARMOND

Man to Man in the Money Market

By CLIFFORD B. REEVES

Insurance Against Bond Losses

JUDGING by the inquiries now coming into Wall Street bond houses, corporation treasurers whose companies hold substantial amounts of high-grade, long-term bonds are keeping an eye peeled for any evidence of a hardening in money rates that might cause a serious decline in the high-grade bond market.

Nearly every one seems agreed that eventually money rates will harden. As to when this will take place, there is no uniformity of opinion even among close students of the money market.

Some few feel that the turn is near. Most experts, however, believe that present record-low interest rates will hold for another year or two at least. Still others think that we are in an almost indefinite period of low money rates.

Realizing that the whole question is one of timing, about which any one might be wrong, many institutional bondbuyers are switching from long-term into medium-term maturities, so that if money rates and bond yields rise sooner than expected, their losses in principal will be minimized by the shorter maturities. Here's how it works:

If a 15-year three per cent bond selling at 100 goes to a $4\frac{1}{2}$ per cent basis, the market price declines 16 points. On a 5-year bond, the same change in yield basis involves a price decline of only 7 points.

Although the yields available on medium-term maturities are somewhat lower than on long-terms, many managers of bond portfolios consider the difference as cheap insurance against the possibility of wide price declines.

A Pretty Good Investment!

"IN 1930," said a broker recently, "one of my partners and I each had \$50,000 to invest for our own account. After the big 1929 market crack, I thought investment prices looked very low, so I invested my money immediately in blue-chip common stocks and utility holding company debentures, which I thought were at bargain levels.

"My partner, however, decided to

hold his cash for a while. So he deposited it in the Bank of the United States, where a friend of his was an officer.

"A few months later, as you know, Bank of U. S. went busted. I certainly felt sorry for my partner. But now he's laughing at me. He's gotten back $72\frac{1}{2}$ per cent of his money, whereas the investments I bought in 1930 are now worth considerably less than half of what they cost me. I know lots of people, including myself, who wish they had put their money into the Bank of U. S. in 1930. In the light of general experience since that date, it's turned out to be a pretty good investment!"

The Small Investor Is Found

AT a partners' meeting, the head of a well known investment house said: "You gentlemen have been telling me for the past several years that the individual investor doesn't exist any more. You've told me that even if he did exist and could be found, he wouldn't be interested in buying the high-grade, low coupon bonds that are currently being offered.

"You've insisted that our only business possibilities lay in the institutional field.

"I called this meeting today," he continued, "to inform you that the small individual investor, who was supposed to be as extinct as the Dodo Bird, has at last been found. And do you know who found him? Uncle Sam!

"Since March, 1935, Uncle Sam has sold to small investors more than \$2,000,000,000 worth of U. S. Government Savings Bonds. That's considerably more than the total of all corporation financing done in this country during the past year. More than 1,400,000 individuals have bought those bonds.

"There were more than \$97,000,000 purchased by investors right here in New York City.

"And what was the yield basis? Was it the five per cent or six per cent that you said would be necessary to attract such buyers? No, it was a three per cent discount basis, which is considerably less than the yields available on many high-grade corporation issues that appear today on our own

offering sheet. It looks to me as though we have been asleep at the switch. We have ignored completely a market that absorbed nearly \$750,000,000 of highest-grade securities in 1938. If we can't do business profitably in that market by our present methods, then we must devise new methods of merchandising that will show us a profit."

A Close Shave

"IF the exposure of the McKesson & Robbins fraud had come a week or two later," a leading investment banker recently said, "the controversy over the soundness of privately placed issues would probably have been settled for good.

"It was common knowledge that McKesson was considering plans for new financing. What people didn't know—even in Wall Street—is that the company had virtually closed a deal with a group of insurance companies for private sale of \$3,000,000 of its bonds, without registration, just when those E. Phillips Oppenheim stories began to break in the newspapers."

"Boy!" said a broker, "that was a close shave for those insurance companies."

"Close shave is right!" replied the banker. "Think how silly they would have looked. What would they have said when their stockholders and policyholders asked them why they hadn't availed themselves of the protections afforded by registering such an issue with the SEC?"

"A company that buys only registered securities can at least claim, if anything goes wrong, that the securities were registered and properly investigated.

"When it buys bonds privately and dispenses with registration, it must take full responsibility. Why should an insurance company assume such a needless risk? If the McKesson case doesn't convince insurance companies of the danger of private deals, they're not as smart as I think they are."

Banks Discover the Mass Market

A SENIOR official of one of the large New York banks was entertaining a group of customers at a luncheon.

BIG BUSINESS—NO. 12



The Cure for Low Incomes

A STEADY FLOW of new capital into private business since 1900 was accompanied by production gains that tripled the per capita income of the country. This represented the greatest improvement in living standards ever accomplished by any people in so short a time. But despite such economic progress, the incomes of millions of families are still insufficient to provide them with a suitable standard of living.

The cure for low incomes is to increase the total national income, so that there will be more to divide. This can be accomplished only through an increase in the value of the country's total production. The more we produce, the more there is for everyone to share.

The national income in our

most prosperous year to date amounted to only \$665 per capita. This should make it obvious that mere redistribution of our present national income is not the answer to the problem. A Government economist has estimated that production 55% in excess of 1929 levels would be necessary to raise the incomes of all American workers to a minimum of \$200 a month.

We need a level of production substantially higher than anything yet achieved. Production processes must be improved, and new products created. This means that new capital must be invested.

The free flow of capital into private business and elimination of restrictions on production are the conditions necessary for further income progress.

*As bankers for industry, and as trustee for the funds of others,
it is part of our responsibility to contribute something to a
better understanding of the facts about private business.*

BANK OF NEW YORK

48 Wall Street—New York

UPTOWN OFFICE: MADISON AVENUE AT 63RD STREET

Established 1784

Personal Trusts Since 1830

"The depression seems to have made banks more appreciative of the small customer," said one of his guests, with a smile. "Ten years ago, I wouldn't have been considered important enough to get this attention."

The banker laughed. "You're right," he said. "The depression taught us that mere size doesn't mean sound credit risk. And we found out that a simple promise by the average individual may be worth more than all the corporate indentures in the world."

"We couldn't help noticing that while the big banks, which supposedly did the most desirable business, were writing off hundreds of millions of losses on loans that had been made to big corporations, many of the installment finance companies, supposed to be handling poor credit risks, were going through the depression with loss ratios that never exceeded one half of one per cent."

"When you lend \$1,000,000 to a corporation, and then the company gets into trouble, it simply exercises its right to go through bankruptcy and slough off its debts if it can. There is no question of moral obligation involved, because the whole transaction is so impersonal."

"On the other hand, when you lend money to an individual with which to buy a car or pay his doctor bills, there is a strong sense of personal and moral obligation involved. Such individuals will do their utmost to repay their loans."

"What you mean," said another guest, "is that the banks are just as eager to render service to small businesses and individuals as to big corporations."

"Exactly! And furthermore banks are finding it very profitable. They have discovered the possibilities of the mass market. Several of the largest New York City banks are now operating personal loan departments with great success. Many big banks in all sections of the country are now financing the purchase of motor cars."

"Take checking accounts as another example," the banker continued. "Strange as it may sound to you, relatively few individuals in this country maintained checking accounts. The reason was that the banks found it necessary to impose minimum deposit requirements that most individuals couldn't meet. Then the banks discovered that a service charge of ten cents a check, or some other trifling amount that the customer was

glad to pay, would provide adequate income and obviate the need for minimum balance requirements."

"Hundreds of banks are operating pay-as-you-go checking accounts today and hundreds of thousands of people are enjoying the convenience of checking accounts for the first time. The mass market, represented by the average citizen, is getting more important to banks all the time."

By-passing the Stock Exchange

"BUSINESS on the Stock Exchange wouldn't be nearly so small," said a broker recently, "if all of the transactions in listed securities were going through the Exchange."

He was referring to the rapidly growing practice of arranging for distribution of large blocks of listed securities "off the Board," a development which is giving great concern, both to brokers and Stock Exchange officials.

"The Big Board market is so thin," the broker continued, "that in many issues, a block of 5,000 or 10,000 shares simply can't be absorbed at fair prices."



The boss is trying to put up a front to impress that big buyer

"In other words," said a listener, "overregulation of the Exchange is preventing that institution from performing its function of providing a free and liquid market."

"Precisely," replied the broker. "But never forget that people who want to sell securities are going to find a free market one way or another. If they can't find it on the Exchange, then they'll create one off the Exchange."

"And that's exactly what's happening today."

"Many insurance companies, in-

vestment trusts and corporations that have large blocks of securities to liquidate are now selling them through distributing syndicates, instead of through the Stock Exchange. The investment dealers who comprise these syndicates offer the securities to their customers throughout the country at the price they sell for on the Exchange."

"The syndicate provides buyers that the Exchange does not offer, despite the fact that the primary purpose of the Exchange is supposed to be to provide 'a single meeting place for all buyers and sellers.'"

No More "Free Rides"

FREE rides on new Government bond issues have provided many small speculators with some very nice sure-thing profits in recent years. But now the gravy is over.

When a Government bond offering is announced, there is always a "when issued" market, which frequently may be a point or two above the offering price at which the bonds are to be issued.

Hence it has been possible in many cases to subscribe to the offering and at the same time sell the bonds in the "when issued" market at a premium, thus cinching a profit.

To get his subscription, all the subscriber had to put up was ten per cent, or \$100 on each \$1,000 bond.

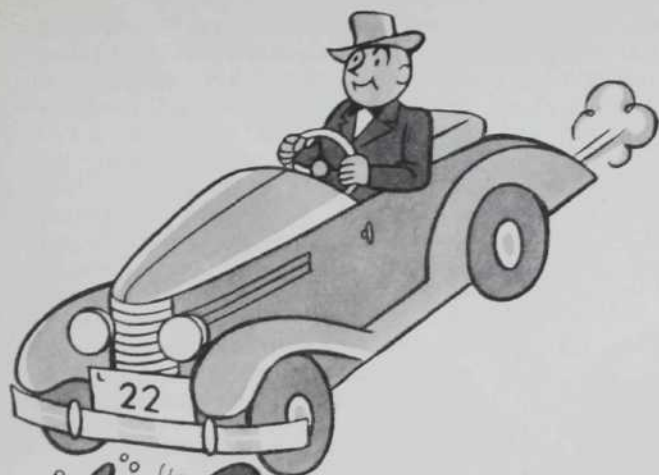
Thus if the difference between the subscription price and the "when issued" price was two points, the investor had a certain profit of \$20 on each \$100 he put up.

Because the Government was eager to encourage subscriptions from small investors, those who subscribed to \$10,000 or less used to be given their full allotments, even though larger subscribers were allotted only a small percentage of their subscriptions.

Later, preferred allotments were reduced to a \$5,000 maximum and finally to only \$1,000.

Yet many small buyers continued to make a good thing of it, by subscribing separately in the names of many different people.

On the Government financing that occurred in December, however, small buyers were surprised to find that they were allotted only \$100 on each \$1,000 subscription, which killed off 90 per cent of the "free ride" profits.



A Numbers Game We All Play

By THE EX-SECRETARY



Two cars passed, both bearing number 22. The cop had his eyes examined



BUSINESS MEN, too, plead for economy in state government and then salve their own vanity through a petty racket which costs thousands and wastes time of officials

WHEN the New Deal's flood tide swept a new Governor into the executive's chair of my native state two things happened at once. I, figuratively, went out the window and a racket of which I had long been a reluctant big shot followed me. The first was far from a statesmanlike happening. The latter really was one.

For today, in the eyes of a traffic cop, or the humblest driver, an automobile license plate in my state means only what its stamping denotes.

In short, this puerile, pestiferous business of inflating your ego with a trick automobile license number at the public expense got what was all too long in coming to it. I know—as ex-Governors, thousands of motorists, a battalion of present and past legislators, magistrates, sheriffs, war chest contributors, friends of the administration, and what-have-yous, for whom for more than a decade I played the go-between, can testify.

A racket. Costly, cheap, petty, far-reaching. May it never resurge.

Costly! When I say that the abolition of the preferential license tag released for other and more important work the full-time services of a half

hundred state employees, I am not exaggerating. Nor is that all. Every department had a clerk who was charged, along with his other duties, if he had them, with looking after truck license requests which reached that department.

Cheap! What could be cheaper than the purchase of a senatorial vote or the silencing of a senatorial protest by tacking a low license number on his wife's new car?

Importance of low numbers

PETTY! One governor vented his spleen upon his pet political enemy by taking his "five" tags away from him and giving them to several "little fellows." The difference between seeing them on the cars of a railroad president and on the cars of division heelers registered with the governor as a major achievement.

Far-reaching! Whole divisions, wards, and even counties have gone haywire at primary elections because low license requests were not met. The racket dived into primary support, legislative preference, the workings of every branch of government,

and caused the absolute waste of hundreds of thousands of public money every year.

A host of employees of the bureau charged with the distribution of license tags had nothing else to do, year in and year out, except take care of request letters, personal visits, telephone calls, sorting out "specials" from each shipment of tags, special wrapping and mailing, even to special delivery to distant corners of the state by motor patrolmen who might otherwise have been helping reduce the highway accident toll.

Though the most truthful and logical explanations in the world were given to a ward leader or a state senator as to why his particular requests could not be granted, sufficient for his grouch was the fact that they were not met.

Some years ago a state senator, filled with personal disgust at the special license business, introduced a bill making it incumbent upon the bureau of motor license vehicles to issue tags on a "first come, first served" basis. His bill had his support only. And when the executive order finally came to do away with the racket many a

tycoon would just as soon have gone on the street unclothed as to ride in his car designated with run of mine tags.

The economics involved in a study of the racket are both interesting and illuminative. Some million and three quarters persons each year pay for

the state penitentiaries. They are made and packed serially and shipped to the capitol for distribution. Imagine then, when distribution begins, the amount of extra clerical help and manual labor needed to pick out tag "80000" for a state senator who demands it as early as October because

and three-numeral tags. The first 50, with few exceptions, notably a former cabinet official and ambassador, the president of a railroad, members of the governor's family, and a few others, were reserved for state officials starting with No. 1 for the Governor, No. 2 for the Lieutenant Governor, and so on. United States Senators, state senators, judges, as well as prominent political leaders and campaign contributors shared in the real low numbers. Naturally, it was not many years until there were far too few to go around. Then an administration, eager to please, struck upon a brilliant idea.

Harassed motor patrolmen, city, borough, and township policemen almost started a rush to the oculist for treatment for double vision. Two cars passed and both carried the numerals "22." While the bewildered cop was trying to decide whether or not he had gone cockeyed a third "22" came toward him. This proved to be "22 National Guard," the other two, then, were bound to be either plain "22," or "22 Official," "22 Judicial," "22 Legislative," "22 Consular," "22 Omnibus." Such an arrangement, for a time, helped appease the situation in which we pap dispensers found ourselves. But did it cause headaches!

An executive at the state capitol received a notice to appear before an alderman in a city more than a hundred miles away. A car bearing his three-numeral tag had passed a stop sign in that city contrary to city ordinance and the state motor code. Would he send the prescribed fine and costs, or would he appear with counsel?

"I am the only person who drives my car," he said to me, "and I haven't been in that town since I was there at a firemen's convention 30 years ago."



A politician's proof that he stood well with the administration

their automobile registration tags. The motor fund in every state is sacrosanct in the minds of the organized motorists. No diversion from it can be countenanced. No matter how crying the need for general fund money, for relief or what not, the motor fund must be used for road building and maintenance only. However, organized motorists and officers of motor clubs were by no means the least offenders in the annual spending of a fortune of motor fund money for this silly waste.

Running up the tax bill

I REMEMBER especially one instance which impressed itself because of the earnestness of the utilities representative involved. He was at the capitol to protest against a revenue raising measure.

"Too many taxes now. Business can't survive if additional levies are placed on it. The cost of government is too great. Economy!"

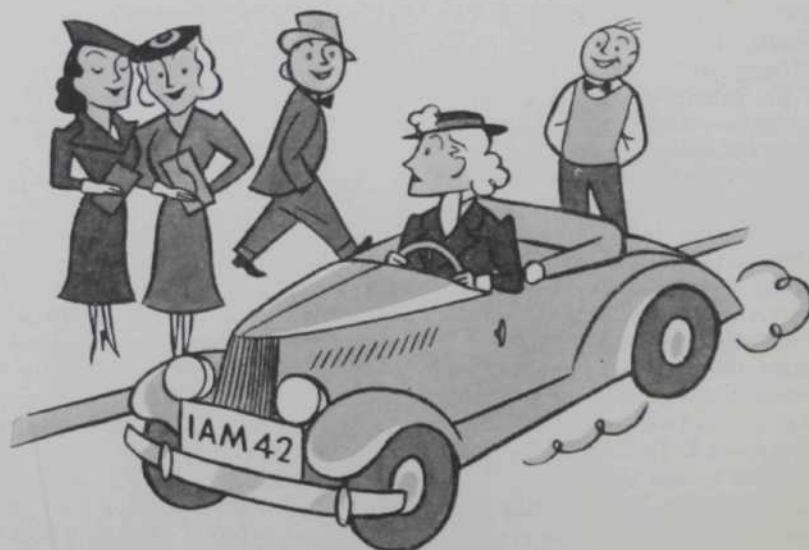
These and similar arguments he advanced before a senate committee during a long afternoon session. At the close of the session he insisted upon taking me to dinner and, before the meal was well under way, he had before me a half-dozen requests for trick license numbers, thus making himself *particeps criminis* to the rape of the very treasury he had spent hours in defending.

Automobile plates for many states, as they are in mine, are manufactured in specially-designed workshops in

his constituent is going to Florida for the winter and must take it with him.

The bureau of motor vehicles received these requests every month of the year and the other departments carried their "low license business" to a clearing house set up as a part of the Governor's office, with an assistant secretary and a half-dozen clerks drawing their pay for nothing but this one job. Many assignments were held up until passed upon personally by the Governor.

For years it was easy to spot the nabobs by their license plates. This was especially true of the one-, two-,



"I am not 42," she complained, "and I am tired of being kidded." The tag was changed

For Better Times— A SQUARE DEAL IN TRANSPORTATION



THE American people are entitled to the best in transportation at the lowest true cost. And every form of transportation is entitled to a full and fair chance to do the work for which it is inherently best fitted. With such a fair and equal chance, each form of transportation will naturally do the job it can do best, and our people will get the fullest benefit from their great public and private expenditures for transportation facilities.

Having no national transportation policy of equal treatment for all, we face today a great, unsolved national problem of transportation, of which the so-called "railroad problem" is but a part.

THE backbone of American transportation is the railroad, which can and does handle every sort of goods, between all stations, in all seasons, for an average revenue of about one cent for hauling a ton of freight one mile—the *cheapest average charge in the world for comparable service*. Useful as other forms of transport are, no one of them, nor all of them together, can take on the job of *trains on tracks*.

The service of railroads is better today, on the whole, than ever before—faster, safer, more adequate, more dependable, more efficient.

For national defense, the mass transportation capacity of our railroads is absolutely indispensable.

Railroad difficulties are not due to overcapitalization—"watered stock"—for the railroad system as a whole is not overcapitalized.

The total amount of railroad securities of every sort outstanding in the hands of the public is not more but *less* than the investment in railroad properties; *less* than the cost of reproduction of railroads; *less* than their present physical valuation.

Neither are railroad difficulties due to an increasing capital structure, for their capitalization in relation to their investment has not increased since the days of general railroad prosperity, but has decreased.

THE financial distress of the railroad business is not due so much to conditions *within* the business itself, as to the *conditions of public policy under which the railroads must operate*.

That public policy is that railroads shall be fully self-supporting and tax-paying. Railroads must do more than merely meet the cost of providing, maintaining and operating their rolling stock and other equipment. They must also meet the cost of providing and maintaining the roadways upon which that equipment moves; and, in addition, must pay taxes on both way and equipment—taxes which do not go to the upkeep of railroad roadways but go to help support the general services of government. Railroads must accomplish this while operating under a system of regulation based on the theory that they are a monopoly. At the same time, they must compete with

other forms of transportation which are not regulated to nearly the same extent or degree and which, in most instances, do not have to meet the cost of providing and maintaining the "ways" over which they operate. In such cases, these major elements of the real cost of transportation are borne by the taxpayers.

With such unequal treatment and conditions, nothing which railroads might be able to do by themselves will solve their difficulties. Neither does anyone think that those difficulties will be solved by legislation alone.

THEY must be solved, however, if we are to enjoy the stability of transportation which is essential to lasting national prosperity.

AND THEY CAN BE SOLVED—

by continued progress and development in railroad plant, equipment and methods; and

by fair and equal treatment as to regulation, taxation, subsidy and public policy generally, applied alike to every form of transportation.

First and fundamental, there should be a square deal in transportation policy, providing for fair, impartial treatment of all forms of transportation, so administered as to preserve the inherent advantage of each. Such a policy would include the following action, state or national—

1. Commercial transportation by highway should be required by the states to pay its way—that is, pay for the use of the highways a fair proportion of their construction and maintenance cost, as well as a proper share of those general taxes required to support ordinary functions of government.
2. Commercial transportation on improved inland waterways, other than harbors and the great lakes should pay tolls sufficient to meet the cost to the taxpayers of constructing, maintaining and operating such improved waterway facilities.

3. Equal regulation, administered by the same public body or bodies, should be applied to all forms of transportation.

4. The rate making rule of the Interstate Commerce Act which now applies only to railroads, should be replaced with a rule applying to all forms of transportation alike. This rule should permit the establishment by each form of transportation of rates which are reasonable, fair alike to users and investors, and adequate to sustain the national transportation system we need.

The present Long and Short Haul Clause of the Interstate Commerce Act, which applies only to railroads and to no other form of transportation, should be repealed.

5. The law requiring the payment of reparation by railroads to shippers should be revised in line with the recommendations of the Interstate Commerce Commission.
6. Operation of the Federal Barge Lines by the government in direct competition with tax-paying railroads and privately operated boat lines should be discontinued.
7. The land grant statutes under which railroads haul government traffic at reduced rates should be repealed. Only 17,627 miles of railroads, out of more than 250,000 miles, were built with the aid of Federal land grants. The grants were not gifts but trades in which the government has been more than repaid for the original value of the lands granted the pioneer railroads.
8. The law governing consolidations of railroads should be amended so as to relieve the Interstate Commerce Commission of the present necessity of setting up an artificial plan of consolidation—and to allow freedom to work out such consolidations as practical railroad men can agree upon, subject, of course, to the approval of public authority.
9. Laws governing loans by the Reconstruction Finance Corporation should authorize loans to railroads upon certificate of the Interstate Commerce Commission that there is reasonable assurance of repayment, substantially as was required by the Transportation Act of 1920.
10. Reorganization of railroads, where necessary, should be simplified.
11. Federal and state tax laws, wherever they impose unjust burdens upon railroads as compared with other taxpayers, should be amended.
12. Railroads should not be required to pay the cost of rebuilding bridges to aid navigation, and of separating grade crossings on highways.

The transportation situation and recommendations for its improvement are discussed more fully in the report of the special committee of six, chosen by the President of the United States from railroad management and railroad labor, to submit recommendations on the general transportation situation. Copies of the report, which has been approved by the railroad industry, will be furnished on request.

**SAFETY FIRST—
friendliness too!**

ASSOCIATION OF
AMERICAN RAILROADS

WASHINGTON, D. C.

"Just a minute," I replied, "let's look at the lists."

There was the answer. One of the learned judges of the county had tag "--- Judicial." Let us hope it was the jurist's chauffeur who was driving and not the court himself.

Another friend of mine for whom I had obtained a two-numeral tag for his mother's town car, called me one day in high annoyance. Twice within a week his mother had received notices from different magistrates in a nearby county to appear for violations of motor laws. Now, his mother was aged and went out very seldom, and was sure to reprimand her driver if he exceeded 30 miles. These police summonses were very much on her nerves. However, a little inquiry soon proved that her same number; "National Guard," was used by a major who had more or less of a penchant

for making short cuts around curves. And so on!

At that, I believe, trick license plates were as annoying to their owners as to us. One could not hide the fact that he had been here, there or elsewhere, or, at least, that his car had been. And many a cop delighted in catching the smallest infraction, whistling the driver to the side of the road, and revelling in the opportunity to hawl somebody out.

"Youse guys wid the small numbers t'ink youse can get away wid moider. Here's a ticket."

The little personal vanities, and more, that crept into the special license racket! Poker hands were most popular 20 years ago. Then only numerals were used on license plates. Of course, house numbers and telephone numbers were popular, and remained so until the last. One friend of mine

had 12345 and was prouder of it than of his kennel of Airedales.

But it was when the number of cars got so great that something had to be done to reduce the size of the plates, that the fun really started. The Bureau of Motor Vehicles worked out a code that made the longest plate no bigger than it took for five numerals. Of course the plates with numerals up to five remained. Then the letters started at 100,000.

Too many specials

WHAT a scramble that caused! Everybody seemed to sense some combination that would be distinctive and give him standing among his neighbors. Jangle of my telephone meant, ten to one, that some "prominent" party man wanted his initials on a tag, or a tag with the initials of a constituent. No more than two letters appeared on a tag. Consequently, Joe Law might have "JL," while Jack Laverty sported "JL1," Jake Lingenfelter "JL2," and so on down the line. Two initials and three numerals even satisfied hundreds, and they were the only ones who could possibly feel that there was any significance in the combination. Just imagine the self-satisfied smugness of a back township committeeman as he might gaze lovingly at "BL234" and tell his neighbors how he stood in with the administration?

And of all the queer requests! One morning a good friend of mine rushed into the office all excited. One glance revealed that he had been on a party the night before, and that he had likely taken a whiff of the hair of the dog that morning.

"How about 'UH' for a friend?"

"Can't be done, podner, 'U' is a truck letter."

"Hell!" said he. "I promised faithfully to get it for her. Told her I had a friend at court. I've got to make good."

"Buy a truck," I advised, but I saw that persiflage could not satisfy his mellowness. With the seriousness of desperation he said:

"Listen, Pal, 'UH', 'Understanding Heart.' Get me? Help me out, won't you?"

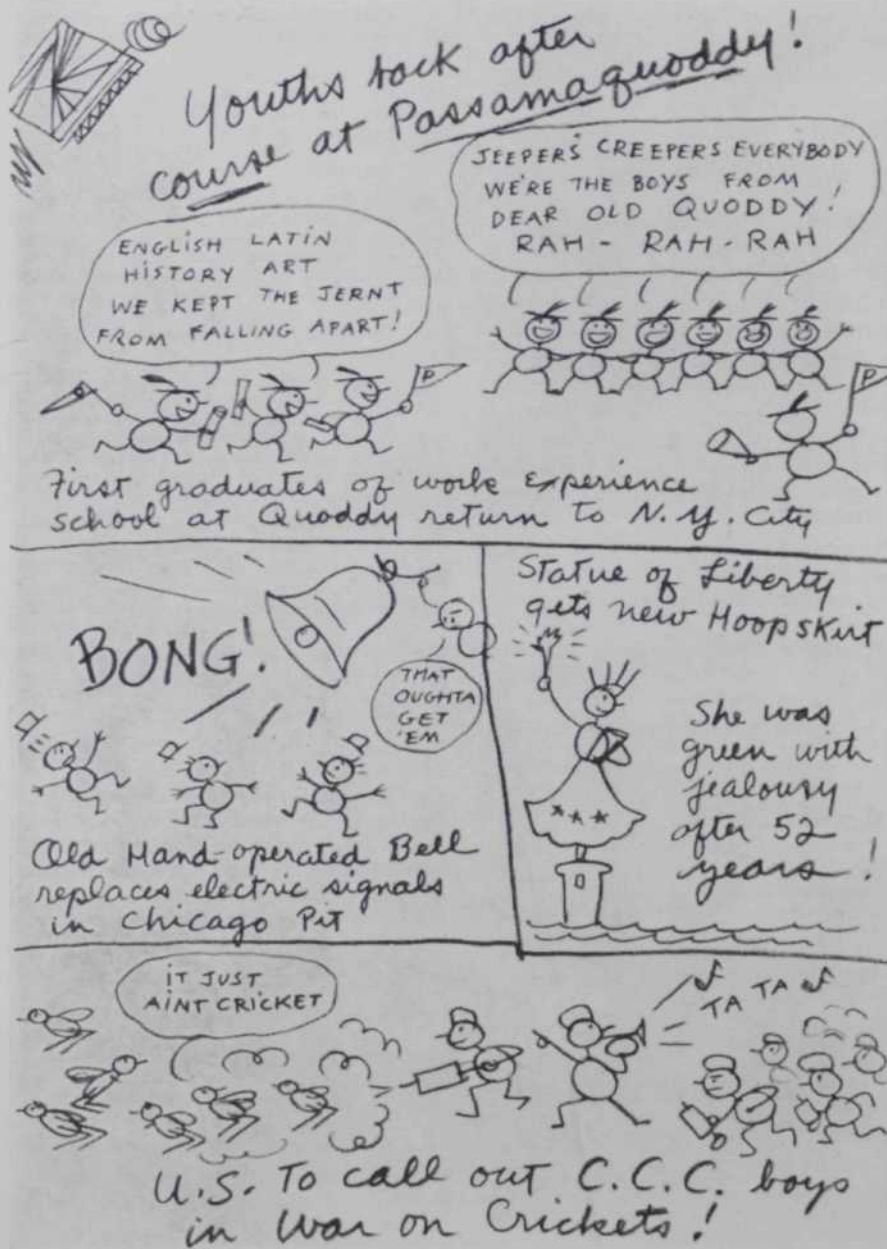
So, ever complaisant, we worked out one as close as we could.

"GH"—"Great Heart." See?

Such incidents could be multiplied many, many times with or without the hangover. There were two proper names that lent themselves to tag combinations, and both of them were used—"BE11" and "ZE11." An undertaker carried "U2" for several years until the morbid suggestion palled on his friends who persuaded him to give it up. A breeder of hunt-

(Continued on page 69)

From a Business Man's Scratch Pad . . . No. 34



Evansville Puts Its House in Order

By EDWIN FISHER FORBES

A GENERAL public that is misinformed, uninformed or indifferent is too likely to be an unsatisfactory court of final appeal! Therefore, if business wants a square deal from the public it must take steps to give one, as well as let those who are to judge know all the facts.

This is exactly what Evansville, Ind., a city of 120,000, with one person in



six an industrial worker, has accomplished with its Evansville Cooperative League.

So sensible and simple was the chosen program that, despite present economic conditions, Evansville's factories are operating in a state of industrial peace. In its first six months, the League's Labor Relations Committee forestalled one of the then fashionable milk strikes; settled a complicated furniture factory labor problem; and satisfactorily ended what promised to be a long and serious laundry strike.

The League was born when a trio of Evansville's large industrial firms determined to develop sound working conditions in their plants and to create a better understanding among their workers. They soon found that they could not continue alone.

They must have help. But how? And what kind? Their own fair dealing alone could not insure industrial peace in the community, so the first steps seemed to be:

1. Encourage all principal industrial employers to adopt advanced constructive labor policies, thus eliminating breeding grounds for dangerous infection.

2. Educate the community as a whole as to the facts about the real ideals and objectives of local industrial management, as well as the actual local plant conditions.

In early 1937 a series of meetings was called to discuss the problem. Among those invited to attend were the clergy, skeptical at first as to the movement's sincerity but, when convinced, extremely helpful.

E. St. Elmo Lewis, Detroit advertis-

INDIANA city demonstrates that, when industry and business unite to tell their story openly, the public is willing to listen and to cooperate for progress

ing man and industrial counsel prominent in developing the National Metal Trades Association's Industrial Cooperation Texts, was called in to draft a community program and platform.

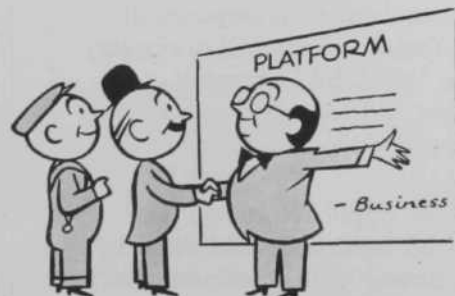
Representatives of the N. M. T. A., the National Association of Manufacturers, and the U. S. Chamber of Commerce also sat in at preliminary meetings.

One of the knottiest problems at the start was "Who should sponsor the plan?" Should the manufacturers? Or should some society like the D.A.R.? It was a temptation to hide behind a public service front but finally it was agreed that, as this was industry's fight for itself, it should accept complete responsibility.

A series of luncheons and speeches launched the program so successfully that, in six weeks, 14 additional firms joined forces with the original trio.

The Evansville Cooperative League was identified as an "Educational institution without partisan or sectarian objectives formed by local business men for the balanced presentation of current economic facts concerning industrial relations."

The actual product or "package" in



the form of a platform the League had to sell was simply and directly put in a statement in all the local newspapers:

1. You, your family and every citizen of Evansville benefits from the growth of the city's industries.

2. You are entitled to hear all the facts on every question that affects Evansville's industrial development and your own welfare.

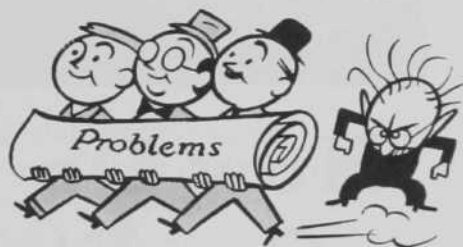
3. Collective bargaining is the one practical means of assuring fair wages, reasonable hours, and satisfactory working conditions in Evansville's industries.

4. All workers—both management and other employees—have a common interest in improving production efficiency, thereby insuring lower prices for the public and steadier employment and increased wages for themselves.

5. Every citizen who is able and willing to work should be protected in his right to work as guaranteed by the laws of the United States.

6. The American system of industry offers the best opportunity for increasing the prosperity and happiness of every individual. Whether he be consumer, investor, employee or manager.

7. Management and workers have mutual interests which can be insured only by close personal relations.



8. Executives, superintendents, and foremen are obligated to give a square deal to every worker in the shop.

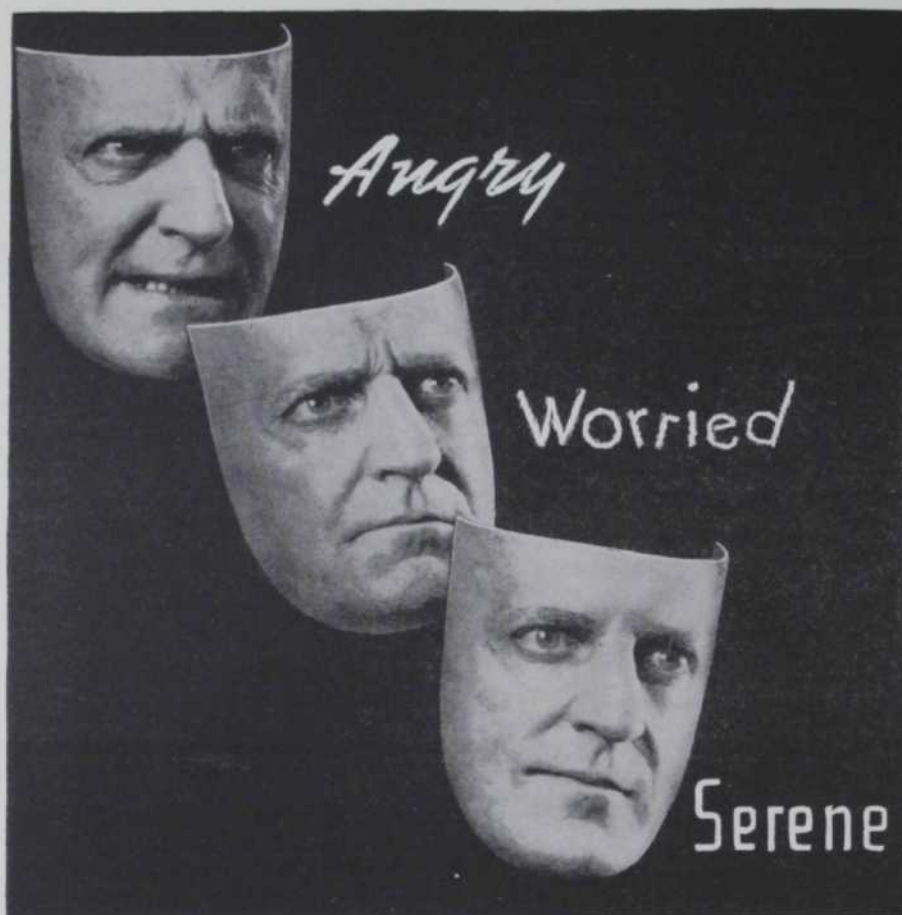
After this platform first appeared, the sub-regional director of the C.I.O. made the front page of an Evansville paper with:

Peculiar as it may seem, we also agree with the eight principles set forth by the League—and, if the League is sincere, we invite their representatives to sit down with us and discuss the most reasonable and lawful method of insuring industrial peace in Evansville.

Naturally the League was pleased. The local papers announced that the Cooperative League was to meet with the C.I.O. at the union headquarters. The day came. The League's representatives appeared but not the C.I.O. Its men failed to show up at all and, on the spot, the sponsors of the League not only gained face with both the public and the working man, but adopted six additional planks:

9. Adherence to the letter and spirit of the law will avoid strikes except as a last resort after all means of peaceful adjustment have been exhausted.

10. Demands for recognition as sole bargaining agency shall not be made and strikes shall not be authorized, encouraged or countenanced until a secret ballot conducted by an impartial agency shall have established the fact that more than 50 per cent of the properly qualified



Copyright 1939, American Credit Indemnity Co. of N. Y. W23

How Do You Face Credit Losses?

Nothing is gained by "fixing the blame" or worrying over credit losses. In spite of all defenses, they will occur again -- and yet again.

Wise executives face unexpected credit losses with equanimity by providing for them in advance. And, thousands find that the preferred method -- the most practical and economical way to establish a "reserve for losses" -- is through

American Credit Insurance

"American" goes as far as you like in assuming responsibility for payment of your debtors' debts. You may cover all accounts or special groups -- good customers, "doubtful" accounts, non-rated debtors. If they fail, or simply fail to pay, you will be reimbursed promptly for goods shipped under the terms of the policy.

Manufacturers and Jobbers whose capital turnover is retarded by slow-pay customers, will be especially interested in the "American" C-F plan of liquidating delinquencies. Ask any representative for full information.

AMERICAN CREDIT INDEMNITY CO.

of New York

Chamber of Commerce Building

J. F. McFadden, President

St. Louis, Mo.

Offices in all principal cities of United States and Canada

employees of a given organization shall have chosen a given bargaining agency.

11. Employees shall be free from intimidation, coercion, or interference from all sources whatsoever in choosing a bargaining agency.

12. After a majority of employees have freely chosen a bargaining agency demands may be presented to the management of the company involved, and collective bargaining shall then proceed in an orderly manner until an agreement is reached, or until it becomes clearly apparent that agreement cannot be reached through collective bargaining.

13. Any points of disagreement which cannot be reconciled by collective bargaining shall then be submitted to mediation by a group of three mediators; one to be chosen by the bargaining agency, one to be chosen by the management, the two to select a third. Every possibility of settlement by mediation shall be exhausted before further action is taken.

14. All principles and methods set forth in clauses 9, 10, 11, 12 and 13 shall be observed and conscientiously followed before a strike may be called. Such strike may be called only after mediation has failed to bring agreement, and then only after such strike shall have been authorized (through secret ballot impartially conducted) by more than 50 per cent of all properly qualified employees.

The League functions under a small and flexible steering committee of six who at first met daily, and now meet weekly. A permanent director, responsible to the committee, directs the three branches of Office, Public Relations, and Research.

Encourage sound thinking

SPEECHES are a most effective means of advancing the League. Question-and-answer periods following the formal address offer an opportunity for dispelling fallacies and promoting sound thinking. The full page advertisements in the local papers were intriguing, enlightening and effective. One advertised the original eight points of the League and asked:

"Do you agree?"

Another advertisement, entitled "Not By Bread Alone," was an open letter asking manufacturers about relations between their employees and themselves. Another pictured the conference table versus the club-strewn street as the place to settle strikes; and the next revealed the "uninvited guest" at the family dinner table—"Hidden Taxes"—and the manner in which he gorges at the expense of the small family purse.

One of the advertisements, announcing a \$100 prize for the 13 best letters on the League platform for promoting industrial peace, drew 68 letters.

Another channel of contact aiding in labor peace is the questionnaire or booklet. Originally prepared by the Armstrong-Cork Company, the booklet, "How Do You Feel?" was brought to the League's attention. It included a comprehensive list of questions concerning the employee's reactions to his boss, his job and his working environment. Revised to meet the requirements of a League firm member, the booklet was sent, with a franked self-addressed envelope, to the homes of employees who were asked to answer the questions but not to sign their names. The number of constructive suggestions was amaz-

ing and the replies covered topics that company officials never dreamed a worker thought about.

Still another phase well received by the general public was a competition in which a \$500 college scholarship and 80 additional cash prizes were awarded to high school students who wrote the best essays on "Relationship of American Industry to American Life." Eight hundred entries were received.

The next forward step of the League will be a series of 15 half-page ads that will tend to point out what progressive management by its sponsor members has done and is doing for the workers. The League feels that this will accomplish three things: make employees better satisfied by showing them how well off they are; insure public friendship by revealing the state of the employees; and bring still other plants into qualification for League membership.

To accomplish industrial peace, as one of the Evansville Cooperative League sponsors said recently, any community should avoid the mistakes of:

Short term planning, financing and a superficial, too general platform. Time and money and a frank recognition of real local problems are required to do a worth while, effective job, because local prosperity is what local workers are interested in, and around which agitators build their attacks.

Avoid a fighting attitude in *what* is said and *how* it is said.

Avoid being anti-union, be anti-radical instead.

Avoid a ready-made program—your program and plan must be tailored to suit your local conditions to be most effective.

Avoid using unsupported claims and statements—prove what you say.

Avoid assuming that everything business and industry have done has been fair and square. Admit errors and develop a better knowledge of the great contributions local management has made to local prosperity.

Sound community relations and labor peace can be obtained by avoiding such errors and promoting a platform built around the local industrial problems which can be put into action by a committee composed of top executives who give their personal time to the campaign. Moreover, they should look upon the whole project as insurance for the prevention of trouble. Every sponsor must come into the organization with "clean hands." If this is done and the matter treated as though it were like any selling, advertising and merchandising campaign with a sound product to sell, the work at Evansville has proved that any community can expect a better public attitude toward local business.

Furthermore, the employees of a business will possess more confidence in their managements, thus making it more difficult for the half-truths and plain lies of the radicals to overcome the factual weapons placed in the hands of conservative employees.

Thus, Evansville, through her Cooperative League, has demonstrated that business not only can effectively speak for itself, but can obtain industrial peace and public support!

It is not a very difficult job if business is willing to come out in the open and tell its story!



How This Employer Reduced Compensation Insurance Costs 35.4% Through LUMBERMENS

• In June, 1933, an Illinois manufacturer placed his compensation insurance with Lumbermens. As the result of careful study, Lumbermens safety engineers were able to eliminate many hazards and considerably reduced the number of accidents. Result: a 25.7% reduction in the collected rate in four and one-half years.

During this time a savings of \$5,186 was effected in actual premiums. An additional reduction of \$3,903 through dividends brought the total savings up to \$9,089 or 35.4%.

The Lumbermens Method

Lumbermens accident prevention methods are saving thousands of dollars annually for safety-minded employers in American industry. Perhaps, in *your* plant, a Lumbermens survey of physical hazards and an analysis of the causes of past accidents would pave the way for similar savings—not only on compensation insurance costs but also in the many small but nonetheless real losses in production which always follow an accident.

Write today for more complete information about Lumbermens and a copy of the brochure: "How 10 Corporations Reduced Production Losses by \$133,099."

LUMBERMENS MUTUAL CASUALTY COMPANY

JAMES S. KEMPER, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.
Save with Safety in the "World's Greatest Automobile Mutual"

Radio's Growing Pains

(Continued from page 19)

Actually it is subjected to a post censorship which is more dangerous than a prior censorship could be, because there are no rules. The F.C.C. may punish for a mere failure of good taste, which could not at all be punished by law if the same failure had been issued in printed form. That punishment is imposed through the F.C.C. licensing power. The owner of a station may lose his license to broadcast because of the utterance of a speaker of which he had no advance notice if that utterance offends the sensibilities of the Seven Men. The owner might not look on that utterance as offensive. Nothing in the law prohibits it. But his investment may be destroyed, because nothing is more useless than a radio station which is forced into inactivity.

An illustration will make the position more clear:

Suppose that five months ago NATION'S BUSINESS published a statement which was entirely true, not subject to attack under the laws of libel, which was made with good intent, and for the making of which no charge under either the civil or criminal law would lie against the magazine. Continue to suppose that this statement offended a majority of a board of seven men for any one of a variety of reasons. Suppose that the Seven Men thereupon withdrew NATION'S BUSINESS' license to publish and that there was nothing, practically speaking, that could be done about it. Before the license could be restored by process under the governing law the magazine would be destroyed.

If newspaper and magazine publishers were subject to such a law, what would be the result?

Inevitably every editor would shape the content of his publication to avoid a conflict with the Seven Men.

Let it be admitted that the F.C.C. has seldom exercised this power. I will not even argue that it has been unwisely exercised. The important fact is that it has been exercised and that every station owner in the United States knows that it has been exercised. Four cases stand out. In three of them the licenses were withdrawn because the licensees had attacked persons held responsible for political or social conditions. In these cases the persons attacked were in fact prosecutors before the F.C.C. In the fourth case a state medical society seems to have supplied the evidence on which a physician offering an unorthodox treatment lost his license. In two of the four cases the licensees lacked the money needed to fight their cases through the courts—a procedure which the F.C.C.'s rules make extremely expensive. In the other two cases the courts upheld the Commission. The Court of Appeals used this language in one of these cases, which is of interest because the court's conception of censorship is revealed:

There has been no attempt by the Commission to subject any part of the

appellant's broadcasting matter to scrutiny prior to its release.—The Commission has merely exercised its undoubted right to take note of appellant's past conduct, which is not censorship.

In another case the Court ruled that the appellant's right of free speech had not been impaired when his license was withdrawn. He could continue to express himself just as freely as ever, so long as he did not express himself on the air.

Punishment without rules

IN NONE of the three cases previously referred to would the appellant have been subject to punishment in court had his statements been printed. In the fourth case the physician seems to have broken no law when he affirmed his belief in goat glands in the newspapers. But the F.C.C. punished, not because a law had been broken but because they disliked what had been said.

Owners of stations did not delay in taking the hint. Eugene O'Neill's play "Beyond the Horizon" included the words "damn", "hell" and "for God's sake." By a vote of four to one, with two members absent, the Commission ordered the offending stations silenced. This was recanted when the folks who still believe in free speech began to be heard from.

A violently anti-Semitic speech was broadcast from an eastern station. It is not charged that the owner of the station knew anything about it in advance, but the F.C.C. granted him only a 90 day extension of his license, instead of the usual six months. Meanwhile a decision is to be made whether the broadcasting station permitted dissemination of a program inimical to public interest.

Father Coughlin made a speech which offended some sensibilities. About one-half the stations of the network which usually carries his talks refused to carry the one which followed. A station announcer for WMCA read a prepared statement in explanation.

We do not believe it is in the public interest to broadcast material which will stir up religious or racial strife and dissension.

As a matter of fact most newspapers carried Father Coughlin's talk as well as his statement that in it he attacked only "atheistic and communistic Jews and Gentiles." Nothing in it was punishable under the laws which preserve and protect the freedom of the press.

Those who have been asking for a reform in the government of radio urge that it should be granted the same guaranty of free speech that the press enjoys. It is admitted that vulgarity is offensive whether in ink or on the air, but it is pointed out that vulgarity is promptly punished. No station would carry for any length of time a program which revolted its hearers. Fan mail is an important factor in the conduct of radio's affairs, and the fans are more likely to object than to praise. Advertisers would fall

away from a station given to even mildly shaded indecency and radio lives on advertising. In the meantime it appears that the F.C.C.'s control of radio is being tightened. Under Chairman Frank R. McNinch, the F.C.C. recently abolished the division of examiners and shifted this work to the office of its general counsel. This, in effect, means that, instead of a well rounded statement of all facts involved, only the case for the prosecution may come before the Commission. The argument is carried farther and complainants charge that radio hereafter may be controlled entirely by politicians.

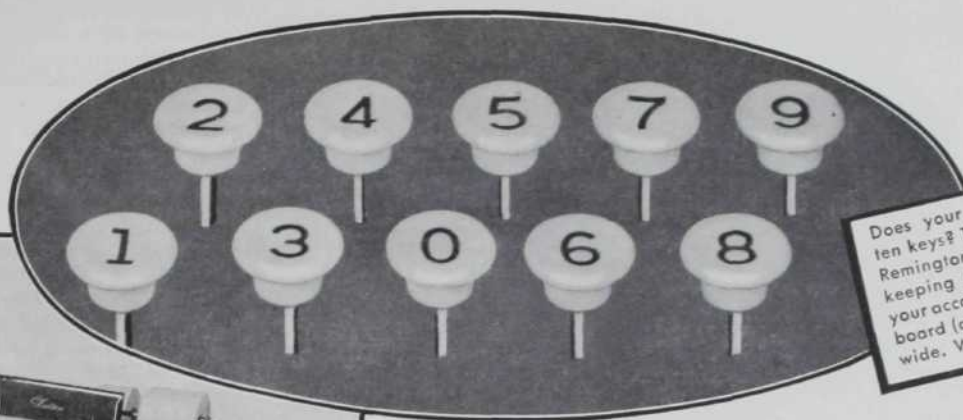
This is the more important because of the F.C.C.'s rules regarding the granting of licenses. A man who wishes to publish a newspaper is free to do so if he has the money. He may buy his news from any one of several agencies. He may even set up an independent news service of his own. Congress has facilitated his access to the news by granting a "press rate" on the telegraph wires.

But the man who wishes to set up a broadcasting station must march through the needle's eye. The number of licenses which may be issued is governed by engineering limitations but the man who finds a spot for a new broadcasting station and has the money to set it up is only beginning to understand the meaning of the five-letter word "grief."

A good moral character

HE MAY be called on to prove his moral character. A divorce might be a mark against him. He may be called on to show that he is a refined guy who shudders when he hears an amatory octave and who would not jazz Bach's music, as in one case passed on by the F.C.C. He must prove that his town needs and wants a broadcasting station and that he is willing to give free time to uplifters, do-gooders and the more noble charities. He must show that he has the money—he is not permitted to borrow the money as a would-be publisher might do—and that his town is able to provide enough tap dancers, harmonica players, patter comedians and blues' singers to keep his sustaining programs going. If he must rely on one of the big networks for entertainment features he must name the network and, if it happen to be the wrong network, he is out. He may be called on to present affidavits, testimonials, and promises from prospective advertisers. If someone alleges that he is not in tune with the infinite it is just too bad. Especially, of course, if the antagonist has the right kind of politics, although I am far from charging that the F.C.C. has ever listened to any politician.

The charges are made, however. Some of them, at least, will be sifted at this session of Congress. It has been alleged and vigorously denied that Thomas Corcoran has told the F.C.C. what to do and that he is writing a new law by which the present seven man commission may



Does your hand span these ten keys? Then you know why Remington Rand Dalton Book-keeping Machines will post your accounts faster. This key-board (actual size) is only 4" wide. Will operate by touch.



MODEL 490-Z. Posts customer's ledger or statement, inventory or payrolls, general ledger or accounts payable.



MODEL 490-J. Posts original customer's ledger AND statement, original voucher AND accounts payable ledger or other applications, in one operation.



MODEL 890-J. Posts customer's ledger AND statement simultaneously through an exclusive dual printing feature, accounts payable AND remittance advice simultaneously, no carbons, all originals.

ONLY TEN KEYS!

THEY END

**STOP
LOOK**

POSTING

● No STOP to pore over row after row of keys... the Remington Rand Dalton keyboard takes figures as you read them, arranges them in columns (comma-ed and decimaled)... automatically. No LOOK to select the key you want from many... Dalton has only TEN keys, one for each numeral. The result is posting speed well beyond any economies you may have dreamed about.

And the result is mechanical accuracy. Dates are automatically entered... correctly. Debits are added, credits are subtracted, balances are extended... all automatically, by machine and with machine precision. A proof-record, effortless by-product of the entries, delivers a completely totalled listing for audit purposes and proof that amounts and previous balances have been recorded correctly.

Literally... this machine has every practical feature you look for on a bookkeeping machine... PLUS a simplicity unequalled in your experience. You need no special training, no confusing short-cut methods to operate the Dalton. Speed and accuracy come naturally.

See the Dalton. Ask the Remington Rand man to show you the savings it will earn for you. His suggestions may result in a very welcome reduction in accounting costs. Telephone or call today. Remington Rand Inc., Buffalo, New York. Branches everywhere.

Remington Rand Inc.

BUFFALO • NEW YORK



Aw Jim... let me run it?

Bobby used to bawl and bluster when he had to help with the mail. But since the Pitney-Bowes Postage Meter came in, Bobby wants to get it out all by himself. Because the last chore of the day is a matter of minutes now.

Feeding envelopes into the Postage Meter is a lot more fun than fooling around with a lot of stamps that have to be stuck on. The envelopes come out of the Postage Meter with the stamps printed on them. A dated postmark and an advertising slogan is printed at the same time. The envelopes come out sealed and stacked. Pretty soft! And the mail is ready without anybody having to stay overtime.

Jim, in charge of the mail, feels better since the Postage Meter came in, too. Keeping as much as a hundred dollars in stamps in a tin box in his desk didn't help him sleep any easier at night. But the Postage Meter could hold several hundred dollars worth of postage—safe as government gold at Fort Knox!

There's no shortage of stamp denominations with the Postage Meter, either. A shift of a lever

supplies any denomination needed. And keeping track of postage is a lot easier. The postoffice sets and seals the Meter when you make a deposit for postage. And three little counters show you how much postage is on hand, how much has been used, how many pieces have been mailed. Copying off those figures at night is far easier than counting odd lots of stamps.

In fact, Jim's only worry now is that postage costs have gone down—and Jim was always mighty careful with his postage before the Meter came!

The Postage Meter protects postage, saves time and postage and money for big firms and little everywhere. And Metered Mail saves time in the postoffice as well—need not be cancelled or post marked, can get on its way earlier.

A demonstration in your own office on your own mail will tell you more about the advantages of the Pitney-Bowes Postage Meter to your business—than any advertisement can. Just tell the nearest Postage Meter Co. office you want it to work for you on demonstration!

be jettisoned and radio's future shall be controlled by a single man. There have been no convincing complaints that one political party has been favored over the other in broadcasting. Under the law, whatever free time a station gives to one party must be set off by similar free time given to the opposition. There have been minor mistakes and misdemeanors and there are wrinkles to be ironed out, but they have been wholly laid at the doors of the broadcasting stations. A station owner need not give a minute's time to a politician if he does not care to do so. The F.C.C. cannot force him to give any time. The one requirement is that he show fair play and for his own financial safety he is likely to do that.

Network booking of programs

IT IS being pointed out that the networks now have tied up most of the smaller stations. They can in many instances and perhaps in all instances deny a tied station the privilege of taking an attractive program from another network. The networks have the right of way over the hours when the subordinate stations take their programs. This is practically compelled, the networks say, because, unless they can issue orders which will be obeyed, an impossible confusion would be brought about almost every day. The opposition concedes this as a matter of mechanics, but it is also urged that, where there are four network stations in a city, the plan works satisfactorily because the listeners have a wide choice. However, when there are only two stations it is, in effect, the same "block booking" that got the movie rajahs in trouble.

One ricochet in the direction of editorial judgment is compelled at this point.

Sen. Burton K. Wheeler of Montana told the Federal Communications Bar Association that radio must either brace up or arrange for trouble. He warned the radio lawyers that they must not only see to it that the F.C.C. plays fair with their clients but that their clients play fair with the public. The commercial programs must be improved in quality and their advertising content cut down in quantity. He warned radio against the supine use of propaganda programs provided by the Government and noted that commentators on political affairs must present both sides of a question, instead of herding down the same pathway as too many of them do. He added:

The democracy of the country might be threatened by some future President who might desire to continue himself in office through his control of the radio. There is a question in my mind whether Hitler, Mussolini and Stalin could have succeeded if they had not had this power.

Editorial judgment could accomplish all the things that Senator Wheeler urged. Congress will make an effort this winter to correct post-censorship. Monopoly ownership of the networks will come under fire. The F.C.C.'s reluctance to give high power to the clear channel stations which alone can reach certain remote districts will be taken up. But it is hard to see how this problem of editorial judgment can be solved except by hiring some editors.



THE POSTAGE METER Co.

1305 Pacific St., Stamford, Conn.

PITNEY BOWES

Offices in principal cities. Consult your telephone directory.

What's Ahead for Law Mills

A LOOK at state legislative programs shows top ranking for changes in social security and welfare laws, including bills to liberalize old age pensions and unemployment compensation. In view, also, are measures to finance these new welfare proposals as well as methods of supporting direct relief needs.

Legislatures in 43 states convened in January. Florida's lawmakers are scheduled to meet in April.

Liberalized old age pensions will be proposed in California, Minnesota, Nevada, Vermont, Washington, Maine, Indiana, and possibly several other states. Massachusetts will consider reducing eligibility for pensions from 65 to 60 years. Colorado and North Dakota, where \$45 and \$40 a month pensions have been voted respectively, will ponder methods of financing these grants.

Bills to extend the coverage of unemployment compensation laws will be proposed in New Hampshire, Oklahoma and Vermont. Connecticut, Colorado and Vermont will look toward improvement of welfare facilities.

Tax proposals will be issues in several states. Sales tax bills are indicated for Texas, Massachusetts, Nevada and Oregon. Missouri legislators will consider increasing the state sales tax from two to three per cent. Other tax proposals include income taxes in Maine and Connecticut; a business and occupation tax in Colorado; and a one-mill corporation tax in New Jersey. Colorado's legislature will regard proposals to put income tax revenues into the general fund and to revise income tax rates.

Bills to reduce gasoline tax levies are indicated for Oklahoma, Nebraska, Pennsylvania and Wisconsin.

Most of the labor legislation will consist of wage-hour proposals to complement the federal wage and hour law. Wage and hour bills are scheduled for consideration in Connecticut, California, Iowa, Massachusetts, Nevada, New Hampshire, New Mexico, Utah, and Vermont. Wisconsin will probably weigh revision of its collective bargaining law, and Vermont the establishment of a state labor department.

State civil service laws will be proposed in Alabama, Georgia, Minnesota, Iowa, New Mexico, Oklahoma and Texas. Connecticut and Michigan, which adopted the merit system two years ago, will study revisions. Bills to strengthen existing civil service laws are slated for Massachusetts and Colorado.

Miscellaneous legislative proposals include repeal of the port of entry laws in Oklahoma and New Mexico. Nevada will appraise a drivers' license law. The Wyoming and New Mexico legislatures may work on proposals for unicameral legislatures. Low-rent housing legislation of various kinds is scheduled for discussion in Connecticut, Missouri, Michigan, New York and a number of other states.

Forecast is based on a survey by the Council of State Governments.

BOOSTING the nation's business

Famous for fine food, Grauel's Market, Baltimore, is also becoming famous for its fine, trade-attracting floor. "Folks like the smart spick-and-span appearance of my Armstrong's Linoleum," says Mr. Grauel. "It has eye-appeal and buy-appeal. It's my best silent salesman!"



IN MARYLAND FOOD MARKET



IN CALIFORNIA MEN'S SHOP

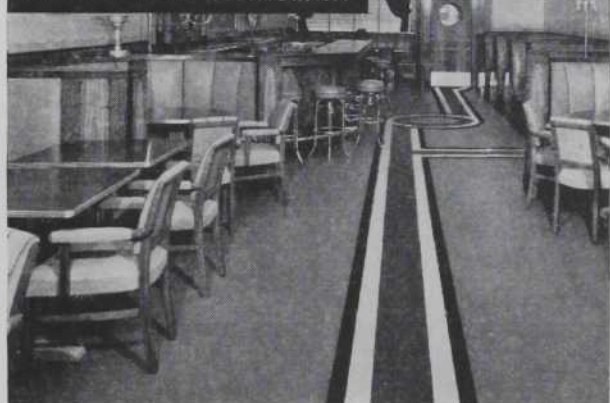


People buy more when a well-planned floor guides them to featured merchandise. Such is the experience of the famous Bachelor Shop in Berkeley, California. It is but one of many successful stories that tell how modern homes of business from coast to coast are using Armstrong's Linoleum Floors to boost sales.



The Commodore Restaurant of Glens Falls, N. Y. attracts new customers and keeps the old ones coming back with the help of a distinctive floor of Armstrong's Linoleum. A practical floor, too, for it dusts clean. And occasional washing and waxing will keep it smart and serviceable for years.

IN NEW YORK RESTAURANT



WE'LL SEND YOU the wear, care and cost story. Just write for "Better Floors for Better Business." No charge (10¢ outside

U.S.A.). Armstrong Cork Company, Floor Division, 3902 Coral Street, Lancaster, Pa. (Makers of cork products since 1860)

ARMSTRONG'S LINOLEUM FLOORS

Custom-Laid or  Standard Designs

PLAIN • INLAID • EMBOSSED • JASPÉ • CORK TILE • ASPHALT TILE
RUBBER TILE • ARMSTRONG'S LINOWALL and ARMSTRONG'S QUAKER RUGS

DANGER LURKS—



Fire, Crime—
twin enemies of
business—
threaten any
plant not properly
guarded. Experi-
ence shows that the
best protection
is with a watch-
man plus a super-
visory system.



MILLIONS of industrial dollars last year went up in smoke—millions more paid tribute to crime—much of this loss could have been prevented had carelessness been supplanted by vigilance.

AN ALERT WATCHMAN making his rounds frequently discovers the small, potentially dangerous blaze that might otherwise spell great loss—the unlatched window, an invitation to sneak thieves.

A SYSTEM to check the watchman and keep him alert is as important as the watchman himself. A Detex Watchclock System represents the most economical method for insuring watchman's vigilance.

80,000 DETEX WATCHCLOCKS in nightly use in plants large and small the country over testify to the efficiency of this universally accepted watchclock system.

ASK DETEX to furnish you with information on a supervisory system that will give proper protection for your property at low cost.

DETEX WATCHCLOCK CORPORATION
80 Varick St., N.Y. 4153 Ravenswood Ave., Chicago, Ill.
29 Beach St., Boston Rm. 800, 116 Marietta St., Atlanta



NB-2

DETEX

WATCHMEN'S CLOCKS

NEWMAN • ECO • ALERT • PATROL

Science is Streamlining Tony the Barber

(Continued from page 26)

yer, provide satisfactory evidence as to his moral character and habits. He must convince the board of examiners that he has mastered the technique of haircutting, shaving, shampooing and other shop services. In addition, he must pass an examination which requires at least a rudimentary knowledge of anatomy, bacteriology, sanitation, therapeutic lights, diseases of the scalp, pharmacology, sterilization, along with shop management, barbering history and law, advertising, bookkeeping and trade economics.

Many fail in exams

QUESTIONS range all the way from explaining how the ethical barber speaks of his fellow barber to distinguishing between *seborrhea oleosa* and *seborrhea sicca*.

Despite efforts toward uniformity, standards throughout the country still vary but, in an advanced barber state like Wisconsin, the tonsorial exam is far from being a "pushover." Of the 141 applicants who tried it in 1937 only 51 passed.

A natural offshoot of this state licensing system is the increase in barber schools or "colleges," of which a considerable number are now operating, most of them, to be sure, inadequate. Some two dozen or more, however, maintain standards and policies that warrant the endorsement of the National Educational Council of the American Master Barbers Association which works hand in hand with the state barber boards.

To qualify for one of these better-type schools, an applicant must be more than 16, of good moral character and have grammar school education or better. Teachers are trained specialists, and courses of study usually extend for six months, including 1,000 hours of class attendance—a time period roughly equivalent to two years of ordinary college. Once a week or oftener, lectures must be conducted by a registered M. D. On graduation, the student serves as an apprentice for a year and a half before being eligible for license as journeyman barber.

More nearly a profession

OBTAINING this preparatory training is considerably less than is required for law, medicine, or other established professions. None the less, it is definitely an advance. Today's barber is better educated, more competent, cleaner.

What's equally important, he is smarter, more alert. He sees, for example, how the apothecary has made many a good green dollar outside the prescription counter. He sees how there is profit to be made out of that "calamitous" instrument, the safety razor. And quite apart from blades, brushes, combs and the like, the barber merchant today

is selling soap, aspirin, hair nets, bobby pins, handkerchiefs, shoe laces, whisk brooms, neckties, chewing gum, candy and clarinet reeds.

Some people have the idea that home shaving wrecked the barber business. As a matter of fact the shave, involving almost as much time as the haircut at less than half the price, was never a fair profit item. From his enterprising sister, the beauty culturist, Tony is now learning that the real loss wasn't the shaving business. It was his own failure to fill the gap with more shampoos, massages and manicures, with new lamp ray treatments and facials—business which he wasn't able to get because he didn't know how to handle it.

A survey of the Wisconsin Barber Board breaks down the barber's income like this: Haircutting, 62 per cent; shaving, 25 per cent; other services, 13 per cent. The "13" runs true to form. It's unlucky because it's much too small. Consequently progressive shops with trained personnel are now concentrating hard on this "luxury" business—and getting it.

Not to be forgotten is the important matter of doing something for the one man in every three who is partially bald, a legitimate barbering service which the specialized hair restoring establishments took right out from under Tony's nose. Once again, it was the old story—lack of public confidence.

They sell good tonic now

THE thinning-out-at-the-top fellows weren't going to spend their cash in unsanitary, untidy shops. They couldn't be "sold" by barbers who talked obvious hokum. They were rightly skeptical of tonic bottles with a high class name on the label and a cheap bootleg liquid inside. A checkup of New York City as recently as 1934 revealed that 91 per cent of all shops were selling counterfeit tonic. Today there are almost none. Everywhere, state barber inspectors and tonic manufacturers organizations have cracked down on the bootlegger.

The powers-that-be in barberdom are sometimes a little bit prone to magnify the glory of the new era, but there can be no denying a change. With each passing year, standards are improving. A start has been made toward including barber training as a regular function of state and local education departments. Wages are being pushed up, hours are down. Shop owners are trying advertising, are consolidating into larger units to cut down overhead, are looking hopefully at the machine and gadget makers who last year took out 78 new barber patents.

The cuspidor yields to the ash tray. The puffer and the politics move on. Tony the Barber goes scientific. And one of these days, as part of his educational program, he's liable to appear at your club meeting to tell you all about it.

Big Business for Little Men

(Continued from page 36)

their present a productive investment.

These children will probably inherit a good deal of money some day. It is not likely that they will spend it frivolously. Earning a few dollars has taught them that money is a measure of labor. It is unlikely that they will ever look with contempt upon the labor of others.

This episode provided a lesson that was not lost upon my boys. Shortly, they were on the street trying to sell their discarded books. They made three sales, then business slumped. A reduction of price was discussed. Jack was against it. He insisted on 35 cents.

I pointed out that they were facing the problem that every merchant encounters when he is overstocked. To move the stock, either the price must be reduced or some sensational way of advertising must be devised to attract attention.

The children decided upon the second course. They rigged up a little wagon and loaded the books into it. Then they raced up and down the street, working an old bicycle siren and crying, "Buy books for the kiddies!"

A policeman threatened to arrest them because they did not have a peddler's license. But the encounter ended with his purchase of two books for his twins.

"Why do we have to have a license?" asked Bill.

"Because," I said, "you use the public highways for your private business."

I do not know what direction their business instincts will take after this. Mary deprecates the emphasis which I placed upon business. But I think they learned more from it than I did from the professorial Shelleys.

MY FELLOW traveler paused.

"How are your boys' investments today?" I asked. "Do they still have their bank stocks?"

"Yes, and five or six others. Like everything else, their securities are down. They are still better off than their father because they did not borrow against their holdings. But—," he added gloomily, "perhaps I made a mistake. I did not foresee that we would ever be ruled by politicians actively hostile to business. Perhaps I should have taught them to be little bureaucrats rather than business men. Perhaps I should have told them that the way to achieve the abundant life is to destroy crops, to organize strikes, and to throw sand into the gears of industry.

"And yet I don't think I have been mistaken. Brain Trusters come and go but business goes on forever. Foolish laws, revolutions, social changes may halt it temporarily. Demagogues may cause confusion and havoc but the laws of business are unalterable. In the end individual initiative and individual efficiency always win. Those who patiently build on solid foundations inherit the earth in the end."

"I'm on a
Vacation
from
Finger-Fatigue"



"I'm operating an
Underwood now"



Typists prefer the "touch" of the new Underwood Master because years ago individual as a thumb print and then did something about it.

Thus, on the Underwood Master each of the forty-two keys is individually tuned to the finger tips of the typist . . . adjusted to her individual typing habits.

And then, as an added feature, the typist can control the tension of all keys at will from the keyboard by the mere flick of a finger.

Give your secretary a "Vacation from Finger-Fatigue". Telephone the nearest Underwood Branch for a free trial of the new Underwood Master.

Its "Touch" gives the typist an easier typing day.

Typewriter Division
UNDERWOOD ELLIOTT FISHER COMPANY
Typewriters . . . Accounting Machines . . . Adding Machines . . .
Carbon Paper . . . Ribbons and other Supplies
One Park Avenue
Sales and Service Everywhere
Underwood Elliott Fisher Speeds the World's Business
Copyright 1939, Underwood Elliott Fisher Company
New York, N.Y.

THE NEW Underwood Master TYPEWRITERS

Let Kimpak REG. U.S. PAT. OFF. & FOREIGN COUNTRIES CREPE WADDING help you, too!



Use It for a New Product . . . to Improve Old Products . . . to Cut Cost of Manufacturing

● KIMPAK is a pure cellulose fibre product with properties which make it adaptable to combinations with other materials, or as a substitute for more costly materials.

KIMPAK solves many manufacturing problems because of its natural degree of absorbency and porosity to fluids, gas or air, its low density, its laminated structure, its flexibility, its chemical resistance, its ability to absorb sound and retard heat.

It may pay you, as it has others, to learn more about KIMPAK. Write for free portfolio of samples.

*Reg. U. S. Pat. Office and Foreign Countries

KIMBERLY-CLARK CORPORATION NEENAH, WISCONSIN

Sales Offices: 8 S. MICHIGAN AVE., CHICAGO
122 E. 42nd ST., NEW YORK CITY
510 W. SIXTH ST., LOS ANGELES

FREE! PORTFOLIO OF SAMPLES

KIMBERLY-CLARK CORPORATION
Neenah, Wisconsin
Address nearest sales office listed above:
Please send us the 1939 Portfolio of KIMPAK.

Company

Address

Attention



We Tried to Build a Business

(Continued from page 48)

tack on the tax and being reported by one of the many spies said to be operating in the city. Then we often were low on stamps because of our low cash reserve. When you have \$10 in the drawer and you need \$4.50 of it for a can of cream and you still have your bread, milk, meat and vegetables and perhaps another order of candy—well, figure it out for yourself. I haven't the heart.

Everybody ate sweets

OUR family was the best customer on soft drinks, candy and ice cream. I had always heard that if one worked around sweets he would tire of them in less than a week. 'Tain't so. But since I couldn't afford to pay any regular salaries they were entitled to all they could eat. The family all ate there and in fact we were seldom home. Our dog was getting very sick of being shut up and threatened to transfer his affections to the neighbors. We opened up at 7:30 in the morning and closed at 11 at night.

Our ice cream agent was upset because we weren't selling a huge amount of ice cream. He expected us to keep up with the dealer down the street who manufactured his own. The diligent young agent tacked up all kinds of pretty pictures showing banana splits, marshmallow dopes, pineapple parfaits and the like. He remarked with satisfaction that now we could do a real fountain service. Of course the dopes and fruits are expensive and don't keep forever. It takes a large volume of business to realize any profit on ten cent servings, which of course we had to give. Fifteen cents was unthinkable, 20 cents outrageous.

Our best business was in candies. There was a definite profit there and we sold a lot of it. The only drawback was the penny numbers and the precious time consumed while Sister and Junior made up their minds which was the best buy for the money.

One customer came in every evening for three five cent hamburgers. All in one breath she would say, "Three-five-cent-hamburgers-with-onion-pickle-and-relish-and-wrap-each-one-in-a-napkin-will-you-and-put-them-in-a-sack."

Figure out the profit on that if you can. The buns were one cent each, the meat more, and they still wanted onion, pickle and relish, not to mention the napkins and paper bag, the cost of refrigeration, preparation, and overhead. When we were persistently out of onion and relish and could give her either mustard or pickle but not both, she took her trade elsewhere.

A card club of 12 women once had lunch and played all afternoon. It was dark and I had to keep the lights on all the time. I collected \$3 from them for the lunch and that is all.

The two youngest children who had fought over the honor of presiding at the fountain (what is there so fascinating about those shiny gadgets) now had

to be prompted whenever a customer came in. And, although they were very pleasant, I knew the customer thought the clerks should be behind the bar instead of in one of the booths. Still there were hours of uninterrupted time and it seemed senseless to be on one's feet needlessly.

Getting change was another thankless job. Imagine several customers in one day buying a five cent article and then flashing \$10 bills. The boy, who considered himself the goat for the rest of us, protested he was becoming the scourge of Riverdale. Needless to say those customers had been in the other stores and, when they couldn't get change, had come to our place. We couldn't stand and argue while a cone dripped on our counter and we couldn't afford to give anything away.

There was only one salesman who dared tell me the real truth about my location.

"You'll never do any good here. This is the cheapest neighborhood in town. I lived here six years and I know."

He was a veteran in his line and knew the town by heart.

We put the place up for sale and had a few who were mildly interested. When they asked me what per cent profit I made, I was unable to answer and when I told them our daily take they shook their heads. So here we were with better than \$1,500 debt, a year's sad experience, the Building and Loan unpaid and all of us getting so fat we looked like baby blimps.

So affairs were in a pretty sad state at the Snack when the master of the house had to have a minor operation. His two weeks at the hospital lengthened to five as complications set in and then he was confined at home two months. During this time I left the business to the two older girls and I must say they tried in vain to save it. But they were beginning to break under strain of long hours, tedious work and no pay. There were guarded threats of slitting one another's throats. So, just one year after we had opened with such high hopes of building a business for ourselves, we closed the doors of "The Snacketeria."

And if I have failed to mention the petty grafts, the guarded warnings to vote for So-and-So, the neighborhood gossip, it is only because these were of minor importance in the face of other difficulties.

Plan your business well

IT IS my earnest desire to bring forcefully to the attention of any one considering a similar experience, only successful of course, that he would do well to consider these last named items carefully and spend six months if necessary on a suitable location. A neighborhood of renters and apartment dwellers or a factory site is the ideal place, outside of the town center. Go where there are people who spend their money on living.

Ask yourself, "Would my family stand for the absence of any home life except in snatches? Would they be diligent, pleasant and resourceful under any circumstances? Have I enough money to start right and keep going for two years?"

If you can answer all these things in the affirmative then by all means go ahead and good luck to you. But if you were to point your finger suddenly at me and say "Give," I'd have to say either invest your money carefully or take a business course and work for some one else. You'll be money ahead.

If you care for climaxes, the room was rented furnished to an experienced woman but she quit after two months. Then a wholesale baker arrived panting and eager for the place so we sold the equipment for about one-third of what we paid for it and gladly cleared the decks for the new tenant. He is still there and doing well.

A Numbers Game We All Play

(Continued from page 58)

ing dogs would have given almost anything rather than lose "K9." "ME2" was used and prided in by a young lady employee of one of the executive departments. A man who owned several filling stations revelled in "OIL."

For several years before the fancy numbers were abolished the state commander of the American Legion had plain "AL." Then down the line came "AL1," etc., to minor officers, including post commanders and adjutants. The same was true with the Knights of Columbus, "KC" tags running into the hundreds being dished out. One prominent manufacturer had tag "AK" and through his organization ran the sequence.

One of the most humorous experiences I had came because of a combination not even asked for. On the contrary. A young woman had received in regular order tag No. "1AM42." After using it for several weeks she wrote to know whether she could have it changed.

"I'm not 42 and I'm tired of being kidded," she wrote. It was changed.

Long before repeal we had requests one year for numerous tags with the initials "SG." Inasmuch as the requests came from men whose initials were not even close to "SG" my curiosity was aroused. Sol Gottlieb had had the plain "SG" tag for several years. So when Ben Cohen, Izze Weinstock, Paul Clancy, and John Ruscavage all asked for an "SG" combination on the same day I just had to find out.

"Well, I'll tell you," said Ben. "We go down to Atlantic City every week, you know, and those Jersey official tags have 'SG' on them. State Government, see? And the cops down there think we are state officials."

That was the end of the "SG."

It was a great game while it lasted, but bigger and better kudos for the ones who stopped it.

What? Oh, yes, I had my house number for many years.

4 Reasons Why Savings or Building and Loan Associations Finance 55.82% of All Home Loans Made by Institutional Lenders!

● Two and one-half million dollars a day—loaned on American homes!

That's the record of the "thrift for building" plan which accounted for 55.82% of America's home loans made by institutional lenders in 1937—which keeps home dollars at home where they will do the most good for their community!

And here's what that LOCAL service means to you and your business.

In your community a strong institution provides an outstanding opportunity for your neighbors to invest profitably. It lends their savings to finance home-ownership. It takes an active part in community improvement and development.

Here are 4 benefits that this prompt, convenient, friendly source of building money provides for local families to own their own homes:



1. Prompt, convenient service—Applications are approved without delay. Appraisals come through fast. Money is released promptly.



2. No red tape—high construction standards. Correspondence can't delay deals. A high standard of construction is assured.



3. Friendly service—deal with neighbors. Here a name means a friend, not just a number. And a friend handles every detail.



4. Long-term loans—repayable like rent. Loans are retired on an amortized plan—just like rent on a practical, simple plan.

In your community, members of the United States Building and Loan League are ready to help responsible local families finance new home construction, modernization, purchases, or re-finance. Their service is prompt, local and friendly!

Your Local SAVINGS OR
BUILDING AND LOAN ASSOCIATION

**When you support Your Local Savings or Building
and Loan Association—You help local business!**

The Plight of the Marginal Worker

(Continued from page 22)

but those who advance it find it convenient to overlook both the mathematical limit set by the total of the national income and the fact that many workers simply can't produce goods or services for which the public will pay enough to provide them with wages sufficient to maintain the living standards which all agree are desirable.

It was not pure cussedness that impelled a fortunately small number of employers to lay off workers when the Fair Labor Standards Act of 1938 (the federal wage and hour law) went into effect last October. In nearly every instance the dismissals resulted because either the individual workers or their occupations were marginal, and became sub-marginal when wages had to be increased or working hours reduced by government order. However much we might like to see pecan shellers paid as much as plasterers, the fact is that there is a limit to what the consumer will pay for shelled pecans. If the price goes too high, he'll buy peanuts and shell them for himself.

The question is, should these persons be permitted to work for what they can earn, or should they be supported at public expense until, if ever, they can find better jobs? If the latter alternative is

chosen, aren't we in danger of reducing the purchasing power of other workers, through mounting taxes, and thus lowering the average standard of living?

Somewhat the same difficulty arises when the marginal character attaches to the worker himself instead of to the job. Administrator Andrews, in a memorandum to the President in which he reported that some employees had been dropped because of the wage and hour law, said that many of these employees were inefficient workers and had been replaced by more efficient ones. No one can object to this except the inefficient workers—the marginal people who had been receiving the scant wages which their services were worth, and who thereafter presumably went on relief.

It is not the purpose here to criticize the principle of the wage and hour law or to deny that, in the long run, its good results may outweigh its disadvantages. But we are thinking now about the marginal worker, and there is no doubt that, in many cases, government regulation of wages and working time makes his condition worse.

We see, then, that the marginal worker has been hit twice: first, by policies adding to unemployment in general; second, by measures intended to prevent his employment at wages commensurate

with the value of his services. What is to be done about it?

Until the human race is wholly renovated and standardized, we shall still have marginal workers and many of them cannot be made competent to be worth a standard wage. If they are not allowed to work, they must be supported in idleness. If, on the other hand, employers are compelled to keep them at work and pay them more than they are worth, production costs will soar, consumers can buy less for their money, demand will be restricted, and the American standard of living ultimately will decline.

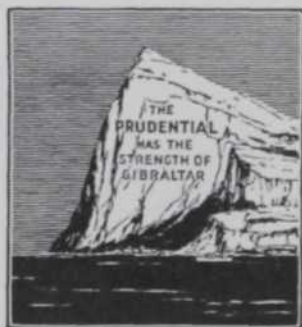
Inexperience is not permanent

AT THIS point it will do no harm to remind ourselves that many marginal workers, especially those whose handicaps are youth and inexperience, ultimately become valuable to themselves and to the community. Of the eminent and successful men in American history, an extraordinarily large proportion at some periods of their lives toiled long hours for meager earnings. Would we now prefer that they had not been allowed to work at all? Few would assert that the country would have been better off if the youthful Abraham Lincoln had been put on relief instead of going to work in Offut's store at New Salem.

It looks, doesn't it, as though it might be best to give the laws of economics a chance to help us solve this problem? But we have already noted that, in at least some circumstances, the unrestrained operation of these laws might reduce conditions of American wage earners to the levels of those in India and China. So we see that economic laws, however beneficent under most conditions, cannot always be left to function as they will. We don't even let the laws of nature do that. We fence the mountain highways to prevent the force of gravitation from having its way with heedless motorists. Similarly, we cannot wisely permit the laws of competition and of supply and demand to aid in the exploitation of workers.

Unfortunately, this exploitation too often is real and not imaginary. We already have noted that labor, capital, and consumers are engaged in a continuous competition for the wealth created by industry. In this competition it sometimes happens, when labor is the weakest of the three parties, that capital and consumers unite to drive down prices and wages simultaneously. This may lead to niggardly wages, long hours, and sweat-shop conditions.

It is precisely this danger of labor exploitation that provides whatever justification the Government has for fixing minimum wages and maximum hours. At this point, according to modern social thought, economic forces should not be allowed to operate automatically. They should be modified jointly by employers and employees, or, if these methods fail,



MAKE WISE USE
OF EVERY
INCOME DOLLAR

A well-planned life insurance program
will help you to hold what you earn.
Give it good space in your 1939 budget.

*May we send you
some suggestions?*

THE PRUDENTIAL
INSURANCE COMPANY OF AMERICA

HOME OFFICE: NEWARK, N. J.

by the community through its governmental agencies. But when any of the laws of nature is interfered with, the process should be undertaken cautiously and in the full realization that unlooked for bad results may accompany the good. Nature did not intend Australia to be a breeding place for rabbits; and look what happened when a well meaning Englishman imported a few!

So it looks as though there was danger either in letting economic laws alone or in trying to modify them. Of course there is, and it requires the best judgment of individuals and communities to decide just how much regulation is necessary and when, where, and how it should be applied. In the United States it seems likely that the public will approve the purpose of setting "a floor for wages and a ceiling for hours." Even in minimum wage legislation, however, exceptions should be made to protect the marginal employees.

The Fair Labor Standards Act provides certain limited exemptions for handicapped workers and for learners and apprentices. As thus far interpreted, these exemptions are too rigid to meet anything but a small segment of the need. It has been held, for example, that handicapped workers do not include those who are merely slow and inefficient. The regulations with respect to learners are similarly limited. As it stands, the wage and hour law adds to the disadvantages under which the marginal workers already were struggling. The statute should be amended unless the American nation is prepared to build up a growing class of unemployables.

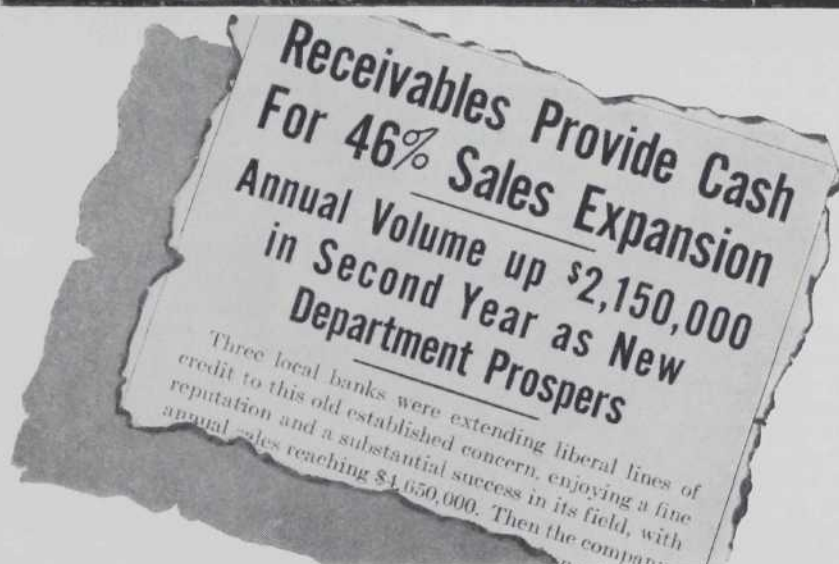
Artificially high wages

ABOVE the minimums, the representatives of some organized workers have been inclined to hold up wages to uneconomic levels, even at the expense of irregular work for all and unemployment for many. By this policy, labor has worked against its own interests—especially against those of its marginal members. Efforts to substitute regular work at reasonable wages for occasional employment at astronomical hourly rates should be encouraged by employees, management and the Government. Particularly, wage costs should not be driven upward until they encourage the displacement of labor by premature and abnormally rapid introduction of machinery and changes of methods.

But the greatest hope for the marginal worker lies after all in the increase of employment in general. His handicaps may not be wholly removable but, when jobs are plentiful, even he has a fair chance of finding something to do, especially if he is allowed to work for what his services are worth. It is therefore of first importance that industry be encouraged to expand its operations.

To this end governmental restrictions and regulations should be limited to those that are necessary to protect the public and prevent abuses. Capital, no less than labor, is subject to exploitation. It cannot perform its functions of supporting industry and employment so long as it is treated with suspicion and dislike. It, too, needs sympathetic understanding from the nation.

GOOD BUSINESS NEWS



THREE local banks were extending liberal lines of credit to this old established concern, enjoying a fine reputation and a substantial success in its field, with annual sales reaching \$4,650,000.

Then the company, with an eye on the profit possibilities of an additional line of products, voted to expand by opening a new department.

It found that more capital would be needed, not for plant and equipment, but mainly for inventory and to carry more and larger accounts.

Though increased bank credits were available, the convenience and flexibility of "NON-NOTIFICATION" OPEN ACCOUNT FINANCING proved to be more attractive.

Anticipations could be regulated daily, if necessary, to meet requirements. Orders would be shipped, invoiced and paid for the same day—or as the cash was needed.

The new department thrived from the start. With normal growth, plus

the purchase of certain small competitive companies, the company's total volume at the end of two years' operation was up to \$6,800,000 and expectations are that the third year will considerably exceed this figure.

★ ★ ★

It is a notable fact that this prosperous position was achieved through the use of "NON-NOTIFICATION" OPEN ACCOUNT FINANCING and without the investment of any new capital.

In case after case, figures comparable to those cited here* from our files, show that well-managed, prospering concerns can increase their profits by sound utilization of cash tied up in receivables. Our book "CAPITAL AT WORK" tells how your capital can really be put to work *full time* for you. May we send you a copy? It may pay you to be informed.

Address inquiry to "Dept. NB."

* The company name cannot be revealed but the facts, taken from our records can be certified.

COMMERCIAL CREDIT COMPANY

"Non-Notification" Open Account Financing

BALTIMORE

BOSTON NEW YORK CHICAGO SAN FRANCISCO PORTLAND, ORE.

CAPITAL AND SURPLUS MORE THAN \$65,000,000

Government Strike Insurance for Unions

(Continued from page 13)

(3) under the heading, "Definitions." There the term "employee" is given an arbitrary and artificial meaning. Section 2 (3) declares that the term "employee" shall include . . . any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment. . . ."

Continues as an employee

THUS, for the purposes of the Act, a person who voluntarily leaves his job along with fellow employees in concerted protest against some policy or action of the management still remains an employee until he gets another regular job of the same sort. In other words, he is still an employee of the plant where he quit work until he and his fellow workers decide they no longer have a grievance or accept jobs elsewhere.

Herein lies a curious paradox. The Act makes it illegal for an employer to discriminate against an employee for the purpose of discouraging membership in any labor organization. The Board has repeatedly held employers in violation of the Act when they have discharged employees for striking. To do this, however, the Board has to shut its eyes to

realities. Section 2 (3) expressly states that a person engaged in a strike is still an employee. So the Board has to hold that the person whom the employer has discharged has not actually been fired but has merely been discriminated against illegally.

When the Board requires an employer to take remedial action it has to order the employer to rehire someone who, within the meaning of the Act, has never lost his job.

In practice, the effect of Section 2 (3), as construed by the Board, is to prevent an employer from terminating the services of dissatisfied employees whenever they express their dissatisfaction collectively. More, they retain their status as employees so long as they wish to continue the controversy by remaining on strike.

This holds true even when employees go on strike despite the fact they have been working under an agreement to arbitrate their grievances without resort to strike and have deliberately ignored its terms.

Hence, under the Wagner Act, the federal Government makes employers follow an entirely different rule with regard to contracts with employees than the Government itself insists on in its own contracts with employers. On the one hand, it forbids employers to penalize employees who have violated a con-

tract. On the other hand, through the Walsh-Healey Act, the Government writes into its contracts with employers producing goods for federal use a provision to the effect that any infraction of any stipulation in such a contract entitles the Government to cancel the contract and to impose heavy financial penalties on the employer.

It is not strange, then, that employers are insisting upon revision of the Wagner Act. Possibly, Congress intended to require employers to maintain an attitude of passive indifference when a strike was in progress. Possibly Congress meant employers to be prohibited from locking out employees when they had grounds to fear that a sit-down strike might be called or that damage might be done to their equipment. It may be true that Congress wanted to keep employers from refusing to retain in their employ persons convicted of felonies.

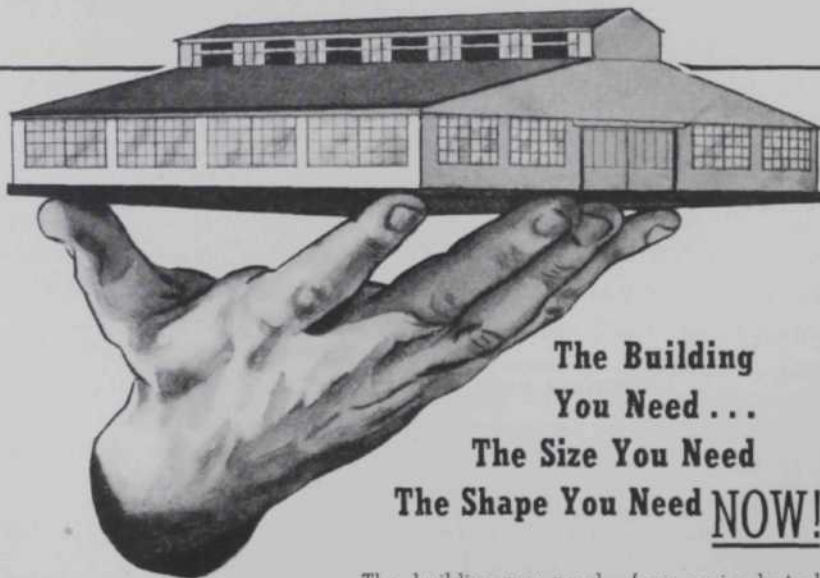
Is it Congress' intention?

IT IS much more probable, however, that Congress had none of these things in mind. It is likewise probable that, when it passed the Wagner Act, Congress did not realize that the restrictions it imposed on employers could be so broadly construed as to prohibit employers from engaging in many practices that hitherto had been considered both innocent and desirable. The mere fact that the Supreme Court has upheld the Board in so many of its decisions proves nothing as to the fairness of the statute. In its first decision passing upon certain phases of the Wagner Act, the Supreme Court pointed out that it could concern itself only with the constitutional validity of the statute. Referring to contentions as to the one-sidedness of the Act, the Court declared that Congress could, if it desired, take a piece-meal approach in dealing with evils within the reach of federal regulation.

Why is it that the defenders of the present law have vigorously objected even to a congressional investigation of the Board's operations and decisions? Is it because they would prefer not to have Congress or the public get a real understanding of the obstacles that have been thrown in the way of amicable employer-employee relations? A few examples will suffice to show how formidable these obstacles can be. Specifically in various cases the Board has held that an employer committed an unfair labor practice when he did any of the following things:

1. Expressed the view that union officials might be motivated by something less than altruism in calling men off their jobs.
2. Indicated that the business might be liquidated or the plant moved before the management would accept the demand of a labor organization for an unreasonable wage increase.
3. Notified strikers that, after a certain date their jobs would be gone and that

READY....



**The Building
You Need ...
The Size You Need
The Shape You Need NOW!**

The building you need—from a simple tool shed to a complete plant—is now ready, complete. You can have it weeks ahead of schedule. At a saving. Low installation, maintenance, insurance costs. Guaranteed. Weathertight. Goodlooking. Modern. When you need a building, Blaw-Knox standard steel buildings are the answer. Ask for data and suggestions.

STANDARD STEEL
BUILDINGS FOR ANY PURPOSE



BLAW-KNOX DIVISION of BLAW-KNOX CO.

2066 Farmers Bank Building, Pittsburgh, Penna.
Branch Offices—New York—Chicago—Birmingham—Philadelphia

they would be replaced by other workers.

4. Obtained the assistance of local public authorities to resist attempts of pickets to keep the plant from being reopened.

5. Called on employees at their homes or elsewhere to try to persuade them to return to work.

6. Refused to reopen negotiations with a union after an impasse had been reached, when requested to do so by any public official.

7. Explained to employees or the public that the management would not enter into a closed-shop agreement under any circumstances, and that the union leaders had been guilty of misrepresentation in telling employees that they would lose their jobs unless they signed up with the union promptly.

8. Offered special inducements to individual employees with the view to keeping them from joining a strike that was already in progress.

A network of laws

AN employer who engages in any of these practices may simultaneously be found in violation of three different laws. The Wagner Act does not stand by itself. First, the Board may order him to cease and desist, and to make reparation for the "damage" by, for instance, reemploying all the strikers. Then the Department of Justice may enforce two related statutes which impose additional penalties for violation of certain provisions of the Wagner Act. One of these statutes is the Byrnes Anti-Strikebreaker Act of 1938. The other is the recently resurrected Anti-Conspiracy Act of 1870. Both of these make it a criminal offense, punishable by fine or imprisonment, or both, for an employer to interfere in certain ways with the rights guaranteed to employees under the Wagner Act.

One stated purpose of the Wagner Act is to encourage collective bargaining. If Congress really intended, as it indicated in the law itself, to encourage practices fundamental to friendly adjustment of industrial disputes, and to restore equality of bargaining power between employers and employees, it is obvious that there is a long way for it to go before its job is finished.

Equality of bargaining can hardly exist when the Government first forces management and labor to deal at arm's length on the supposition that they are natural enemies, and then adroitly hoggies one adversary and invites the other to use almost any tactics and no holds barred.

When You Change Your Address

... please notify us promptly. Your copies of Nation's Business will then reach you without delay and without interruption.—NATION'S BUSINESS, 1615 H Street, N.W. Washington, D.C.

Mr. Executive...

*put yourself in a Court Reporter's
shoes for just a moment...*



It means long hours, transcribing court testimony at blazing speed

It means buying your typewriters out of your own pocket

It means spending *your* money for repairs

...and you get paid at piece work rates...and paid *only* for what you can *make your machine produce*.

* * *

and, Mr. Executive, a recent survey, in every city of 100,000 population or more, proved *this* fact:

**MORE LC SMITHS ARE USED
BY COURT REPORTERS THAN
ALL OTHER MAKES COMBINED**

LC SMITH & CORONA TYPEWRITERS INC



SYRACUSE NEW YORK

GOOD NEWS

FOR USERS OF
Burroughs
TYPEWRITER COMPUTING
MACHINES

Here's a speed team—the Burroughs machine with its mechanical advantages, and Rediform Continuous Interleaved Forms with their *one-time* carbons. Any number of separately written forms may be combined into one time-and-labor-saving set of continuous forms.

FREE! New bulletin NB-541 shows how Rediform Business Forms and Approved Methods can benefit you. Write nearest address below.



Rediform
BUSINESS FORMS

AMERICAN SALES BOOK CO., INC.
NIAGARA FALLS, N. Y.

Pacific Manufacturing Book Co., Inc., Emeryville, Cal.
Crosby-Wirth Manufacturing Co., Minneapolis, Minn.
Hurt Business Forms, Limited, Toronto, Ontario.

WELCOME
TO ST. LOUIS

Welcome to friendly service...
fine food and drink, served in
the hospitable atmosphere of

HOTEL
Mayfair
8th and ST. CHARLES
DOWNTOWN AT YOUR DOORSTEP

Over 50% of all rooms \$3.50 or
less, single; \$5.00 or less, double.

YOUR SON IN 1939



own office desk, follows business procedure. Two-year course for younger men. Applications must be filed well in advance of entrance.

Write Administrative Secretary for catalog

BABSON INSTITUTE Babson Park
Massachusetts

Babson Institute provides training for college men that in nine months prepares for a business career. An intensive course gives the fundamentals of finance, production, distribution, and personnel. Modern methods and expert faculty offer a well-balanced program. Each student has his own office desk, follows business procedure. Two-year course for younger men. Applications must be filed well in advance of entrance.

A Chamber Sells Nationally

(Continued from page 28)

Many Los Angeles business men make it their practice to discuss pertinent details of a new report with the envoy who made it. The commissioner always has many valuable sidelights to add in a personal conversation.

Through its trade emissaries, this chamber gives its members service they could not duplicate individually.

Tremendously successful in carrying the city he represents to the markets afield, the Los Angeles trade ambassador is becoming increasingly effective in bringing customers back to his city where they can see more and buy more.

This constant field contact work makes possible Market Week, a growing trade promotional event sponsored twice each year. When inaugurated in 1934, this event lured 4,500 buyers from 23 cities to see exhibits prepared by 330 local firms.

By 1938, the event drew 7,800 buyers from 42 states; 551 firms exhibited.

Most dramatic triumph of these commissioners has been their campaign begun five years ago to spur department stores all over the nation into establishing resident buying offices in Los Angeles. In 1934, 12 stores had such offices. Today the number is 550 and Los Angeles is second only to New York among United States cities in the number of stores represented by local buying offices.

Trump card of the trade envoys in this campaign—which has meant \$36,000,000 annually to Los Angeles—has been their ability to sell the city as a leading world style center.

The manufacturer geographically penalized by his location in the southwestern corner of America's 3,000,000 square miles now has only to put his samples under his arm, visit downtown Los Angeles, and, in effect, visit the richest markets of the United States.

No figures tell the story of the many transient buyers these envoys induce to spend money in the area they serve. No set of statistics yet accumulated includes such incidents as that of a trade commissioner who interested a Portland, Ore., buyer in routing himself through Los Angeles on a trip East. The envoy took him to several Los Angeles factories, with the result that he bought three carloads of porch and garden furniture. When the buyer returned to the Northwest he mentioned this incident to a Seattle buyer and described the merchandise. The Seattle buyer sent in a duplicate order and both firms have been steady customers ever since.

The Los Angeles precedent has proved that public relations work by chamber of commerce field contact agencies powerfully stimulates a community's sales.

The trend is for chambers of commerce to give expert service in the field of sales analysis, make sales managers understand costs and methods, and help local firms penetrate outside markets.

"The American local chamber of commerce," says chief trade ambassador

Wright, "must become more and more an expert fountainhead for sales departments on the battlefield of business. And attack strategy must be based on the viewpoint of the consumer, not the producer."

Shake Hands with Our Contributors

CONGRESS is going to spend much time debating proposed changes in the Wagner Labor Relations Act. Members are hearing from business men who feel that the present legislation is unworkable, encourages strikes and is unfair to many employers.

Russell L. Greenman points out sections of the Act that might be changed with resulting benefits to both employer and employee. Mr. Greenman is a former member of the staff of the National Chamber and has specialized in personnel problems, is now a consultant with McKinsey, Wellington & Company, New York.

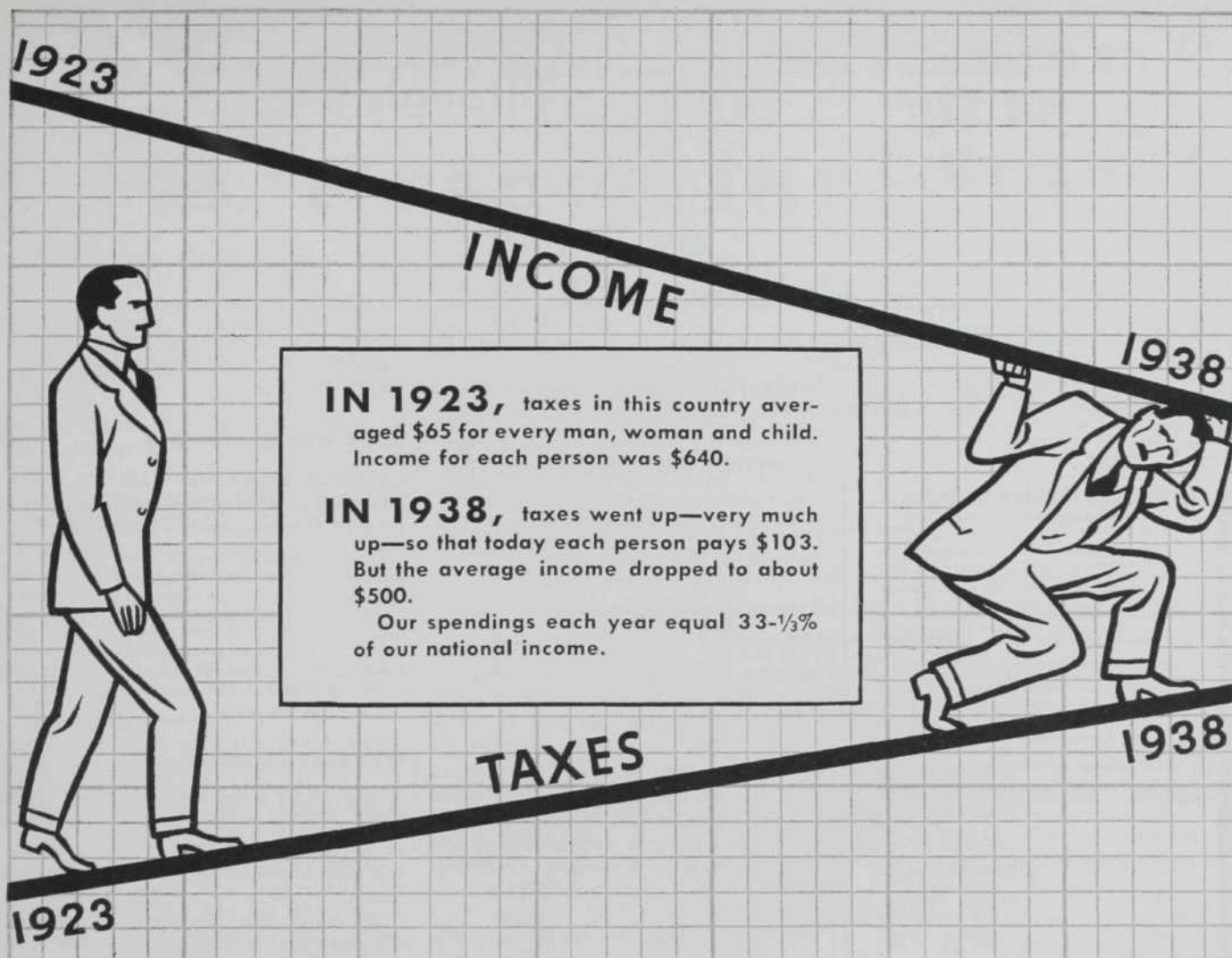
The Wages and Hours Act is another legislative formula that is closely tied up with the affairs of business men. Edward S. Cowdick, who has spent years in the field of industrial employment, tells why the Act should be amended in the interest of marginal workers.

Rapid growth of the radio industry, with no precedents to follow, has resulted in difficult problems of regulation, censorship and political influence. Herbert Corey, who regularly contributes "Washington and Your Business," was asked to define the chief issues involved.

A. G. Holtzman and Jesse Stechel looked into the barber business to find out what had happened since the safety razor became a fashion and the shaving mug became a museum piece. Story of how the barber has streamlined his business to meet the new competition is the result.

Herbert M. Baus is a former newspaper correspondent now on the staff of the Los Angeles Chamber of Commerce and the magazine, *Southern California Business*.

George Sylvester Viereck is a prolific author and playwright. NATION'S BUSINESS readers will remember him as the writer of "The Temptation of Jonathan," December, 1937, and "We Can Beat Dictators at Their Own Game," April, 1938.



CAUSE and EFFECT

Taxes Higher—Income Lower: Jobless—Still Jobless

TA**X** MONEY is necessarily "overhead" expense. It does not go into wealth-producing activities—into permanent productive jobs.

Every business has "overhead". It is not welcome, but necessary. When it gets out of hand, everyone suffers—employee, owner, manager. The sheriff constantly has his eye out for the business with out-of-control overhead.

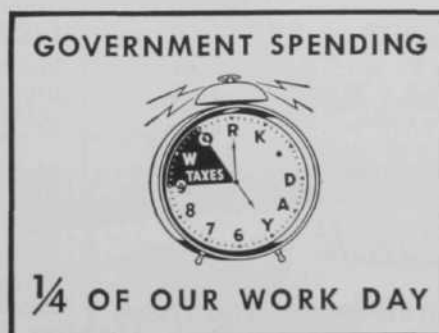
Government expenses—and exclusive of relief—have increased tremendously. This overhead affects personal income, stability of employment and the chance for industry to expand and make more jobs.

It is difficult for a family or a business to bring outgo into line with income, by cutting out the near-essentials. But such cuts must be made if the family or a business is to evade the distress of bankruptcy.

It is even more difficult for the nation to undergo the painful operation. But its overhead can be cut without impairing the normal functions of government, and a move in that direction would do more to stimulate business activity than any other single thing.

If you do not act to this end through the men who represent you in Washington, taxes will continue up, income continue down—and the living standards of our people drop to those of other tax-ridden countries.

It is not yet too late—but it is very, very late!



This message is published by

NATION'S BUSINESS

It is the 32nd of a series contributed toward a better understanding of the American system of free enterprise.

If you want to cooperate we will supply copies in poster size for bulletin boards, leaflets for distribution, mats for newspaper use, and electros for house organs. Write Nation's Business, Washington, D. C.

Spare Time Training that helps you Speed Up Prosperity!

DO YOU want to speed up the return of prosperity to you—insure your early and larger participation in the new jobs, promotions and salary increases—get fullest benefits from the business pick-up?

You can do it. For many months to come, individual competition in business will be tremendous. Employers—up against new problems, fighting for survival and profits—will be able to pick and choose. Naturally they will prefer the trained man—the man who has special ability to offer them.

If you wish this advantage, simply mark on the coupon the field of business in which you are most interested. We will send you full information about the opportunities in that field, tell you how our complete success-building program helps you plan your future, train you in your spare time, and works with you all through your career. Send the coupon NOW.

LASALLE EXTENSION UNIVERSITY A Correspondence Institution Dept. 2374-R Chicago

Please send me full information regarding the success-building training and service I have marked with an X below. Also a copy of "Ten Years' Promotion in One"—all without obligation to me.

- ☐ **Business Management:** Training for Official, Managerial, Sales and Departmental Executive positions.
- ☐ **Modern Salesmanship:** Training for position as Sales Executive, Salesman, Sales Trainer, Sales Promotion Manager, Manufacturer's Agent, and all positions in retail, wholesale or specialty selling.
- ☐ **Higher Accountancy:** Training for position as Auditor, Comptroller, Certified Public Accountant, Cost Accountant, etc.
- ☐ **Traffic Management:** Training for position as Railroad, Truck or Industrial Traffic Manager, Rate Expert, Freight Solicitor, etc.
- ☐ **Law:** LL. B. Degree.
- ☐ **Modern Foremanship:** Training for positions in Shop Management, such as that of Superintendent, General Foreman, Foreman, Sub-Foreman, etc.
- ☐ **Industrial Management:** Training for Works Management, Production Control, Industrial Engineering, etc.
- ☐ **Modern Business Correspondence:** Training for Sales or Collection Correspondent, Sales Promotion Manager, Mail Sales Manager, Secretary, etc.
- ☐ **Stenography:** Training in the new superior machine shorthand, Stenotypy.
- ☐ **Railway Accounting**
- ☐ **Expert Bookkeeping**
- ☐ **Business English**
- ☐ **Commercial Law**
- ☐ **Credit and Collection Correspondence**
- ☐ **Public Speaking**
- ☐ **C. P. A. Coaching**
- ☐ **Stenotypy**



Name..... Age.....

Present Position

Address

Install **ALPAC**
Onliwon Towels and Tissue
COMPLETE WASHROOM SERVICE
Write A. P. W. Service, Albany, N. Y.

See
WOODSTOCK
TYPEWRITERS

Through the EDITOR'S SPECS

Add "Catch in 'Cooperation'"

MANY PEOPLE speak of a partnership among labor, industry and the government. There never can be any partnership with the government as a partner. Government can never act in the capacity of a partner. It must always dominate; must always have the last word.—C. S. Ching, director of public relations, U. S. Rubber Co., before Associated Industries of Massachusetts.

Screen distortion

WE HAVE witnessed in silence the garbling of many of our favorite stories in their screen versions. But when M-G-M makes Dr. Manson in "The Citadel" into a convert for group medicine as the term is used in this country, we rise to object. And when the movie critic of a New York newspaper goes farther and writes of Dr. Manson making a speech for socialized medicine, mild objection turns to vocal revolt.

In "The Citadel" Dr. Cronin, the author, brilliantly exposed the fallacy in Great Britain's panel system of socialized medicine. He shows how an honest panel doctor is penalized because he loses his patients to the doctor who finds something to prescribe for—usually that which the patient wants him to find. The system is duck-soup for the malingerer and the hypochondriac.

And when the author alluded favorably to "group medicine" he clearly had in mind not a cooperative scheme of health insurance but merely a grouping of several specialists in one clinic.

Make it two!

NEXT TIME you dine at a ritzy restaurant and want to order a hamburger but can't remember the sophisticated gastronomic term for it, don't let that deprive you. Just tell the waiter what you want. There's now the highest precedent for your plebeian taste.

In an address before a select London audience, Emile Aymoz, noted French chef, gave his highest praise to "that succulent and nutritive dish, the American hamburger, one of the best dishes in the world." Note he didn't say "Salisbury steak"—an ex-

cellent suggestion to Americans who insist on importing foreign names for American dishes.

Collective guinea pig

REPRESENTATIVE Hatton W. Sumners ad libbing to his fellow members of the Monopoly Committee:

Doctors will try out a new idea on a guinea pig first and they will be pretty cautious. We in government are not. There are people connected with government who want to try the whole idea on the government first, and then if it won't work, try it on the guinea pig. Then they expect a diploma because it didn't make the guinea pig sick.

Witnesses wanted

A MAN was standing on a street corner in Newark, N. J. when the fender of an automobile that was rounding the turn knocked a briefcase from his hand.

In court next day five witnesses testified that it was the man, not the briefcase, that had been struck. He collected \$270 for personal injury, including damages to his false teeth. Not long after, the same man slipped on a grease spot on the fender as he alighted from a taxicab. Another claim for injury—to person and false teeth.

This coincidence was a bit too much. Investigators for the Association of Casualty and Surety Executives got the man's number and sent him to prison, as they have many other professionals in the fake accident racket. They found he had been nudged by automobiles in a number of Eastern cities, and always collected.

One of his tricks was to jam his briefcase in the rear bumper of a car, and with the evidence thus safely planted, make a claim.

Men of this ilk are one reason for casualty insurance rates being higher than they should be. Good citizens who observe fake accidents ought to volunteer their testimony.

A new code for borrowers

IN CONNECTION with the question of (federal) debt, you make the curious statement that some day the whole amount must be repaid.—Marriner Eccles, chairman of the Federal Reserve

Bank, in a letter replying to a speech by Senator Harry Byrd.

The Senator from Virginia has not been an apt disciple of the New Economic Thought as expounded by Mr. Eccles in his gospel of spending. Like some other old fashioned citizens, he persists in the "curious" belief that debts, public as well as private, have to be paid.

We dare say the Senator probably would maintain that the whole is no greater than the sum of all its parts, that all which goes up must come down, and other curious folk lore. He now stands properly corrected. If Mr. Eccles is right, there is just one step in debt, and that is borrowing—the pleasant part.

Lowly but mighty

ONE OF the most serious enemies to telephone communication in Australia is the termite. In places these little engineers of destruction prove almost irresistible, according to the U. S. Independent Telephone Association.

They will pierce an inch of earthenware, eat their way through a thick coat of arsenic and vaseline, and finally bore through a 1¼-inch lead sheath into the main underground cables.

A curious form of life is the termite. It is about the only family in the animal world that can decompose and digest wood cellulose. This is accomplished with the help of tiny flagellate parasites that live in the termite's intestines. The termite itself cannot eat wood.

Some termites consider paper as succulent as wood. Von Humboldt wrote that in tropical South America he was told a book or document as much as 50 years old was a rare item, so voracious were the insects. Their ravages have been cited as one of the reasons for the lagging state of civilization in the tropics.

"Command" sampling

A MANUFACTURER receives a request from a WPA county supervisor for enough free samples of the company's product to distribute to his "clients."

The request is written on official stationery and sent in a franked envelope.

The writer purrs of the wonderful publicity that will accrue to the company from such distribution and offers generously to attend to it as his good deed of the month.

This sort of thing is becoming a racket, says George S. McMillan, secretary of the Association of National Advertisers.

Many well known national adver-

FINANCIAL COOPERATION WITH INDUSTRY FOR *Structural Improvements*

A PROGRESSIVE MOVE in the right direction—a welcome new deal for industry—is what the Industrial Commission of the City of Newark, New Jersey, offers to industries locating at Port of Newark.


Here are unmatched advantages for manufacturers and shippers—waterfront sites with rail sidings and roadways directly connecting with New Jersey's gigantic system of main arteries, spreading over a market area of 10,000,000 consumers within a radius of 50 miles—the most strategic location on the Atlantic Seaboard.

OF THE METROPOLITAN AREA
THE Hub where **RAILWAYS
WATERWAYS
HIGHWAYS
AIRWAYS** meet
...20 MINUTES FROM TIMES SQUARE

Coupled with these unchallenged reasons why Port of Newark commands attention, the Industrial Commission of the City of Newark, by authority of the State of New Jersey, is now empowered to effect arrangements with industry which assure a fixed charge for total occupancy, including taxes, over a period of years, with option to purchase—and to PROVIDE FUNDS for STRUCTURAL IMPROVEMENTS.

Plus NEWARK AIRPORT—an integral part of Port of Newark—a combination that is unique in this or any other country.

A labor market that embraces the highest caliber of skilled craftsmanship for practically every branch of manufacture.



For an illustrated brochure describing in detail the advantages of Port of Newark—write to

INDUSTRIAL COMMISSION
of the
CITY OF NEWARK, NEW JERSEY

Meyer C. Ellenstein
Mayor

Allred J. Speak
Michael Hollander

Frederic W. Robinson
Chairman

Frank O'Connor
Andrew Preziosi



25,000 BILLBOARDS ALL OVER AMERICA

72,000,000 People Will Pass these Boards every day in the next few weeks at a time when Congress is considering The New Federal Budget. They are displayed to stimulate expression of public sentiment to Congress regarding our present tax burdens.

Free Miniatures—in color—of these bill posters for envelope stuffers are available through your local Chamber of Commerce.

ST. LOUIS
HOSPITALITY

Is at its best in this comfortable, conveniently located hotel, where service and good food are a byword.

HOTEL
Kennox

9TH AND WASHINGTON
Over 50% of all rooms \$3.50 or less, single; \$5.00 or less, double.

Graffco
VISE
SIGNALS
Vitalize CARD RECORDS



They speed up reference; enable quick and accurate action. Combination of color and position of signal guides you instantly to vital facts. *Graffco Vise Signals* increase the value of the card record by 50% to 200%. Made of plated steel, in 12 striking colors.

At your stationer's, or write to
GEORGE B. GRAFF COMPANY
80 Washburn Ave., Cambridge, Mass.

tisers of food products, dentifrices, soaps and other small items in general use are besieged with like requests through such agencies as WPA, Farm Security, TVA, Civilian Conservation Corps and others. Frequently the offer is to distribute the samples to employees. Always it is with an official identification calculated to cause the manufacturer to comply, not for any advertising value—group sampling returns are almost invariably poor—but for fear of the consequences of refusal.

"Requests" from Government officials are inclined to resemble invitations from a king.

Political frankness

AS ONE good politician to another, Mayor La Guardia on his holiday sojourn in Washington objected to the proposal to take politics out of the administration of relief. A bi-partisan board, he said, is twice as bad as a partisan board.

The Mayor, who happens to head the outstanding bi-partisan city government of the country, ought to know.

Liquidating the submarginal

PUBLIC utility men say to the Government: "If you are going to persist in putting us out of business with your 'yardstick' power plants supported by the federal treasury, the decent course is to purchase our plants."

Now the Commercial Club of Rhame, N. D., offers a petition that the Government buy their town. Under the submarginal land retirement program, the Government has obtained options on so many farms in their trade territory that Rhame business men say the deals if consummated will render their property practically valueless.

Idealists and social architects in the far-off District of Columbia, intent on their vast plans for the Perfect State, will not understand that plea.

To them it will seem like ingratitude.

There is a line in the gospel according to Marx that casts its light on the Rhame incident. It reads: "The abolition of property in land and application of all rents of land to public purposes."

The company first

IT'S A TRITE maxim that we never realize how well off we are till adversity comes.

That's a thought recently emphasized to executives of Revere Copper and Brass Co. They had long rated the loyalty of their employees high among the company's assets, but it

took a great storm to show just what it all meant.

On the afternoon when the New England hurricane struck the Rhode Island coast, hundreds of workers in Revere's Providence plant had their personal automobiles parked close by. Instinct urged them to get these cars out before they were submerged and perhaps washed away. But not a man left the plant to look after his own property. The electrical crew waded among the machines pulling switches, while production men stacked sandbags in a vain struggle to hold back the creeping water level. They continued to battle the sea until many of them had to swim out to save their lives.

Pedigreed reds

IT SEEMS the comrades of the United Front have gone in for genealogy and find themselves the real political descendants of Jefferson and Lincoln. In France it is Joan of Arc and in Italy, Garibaldi.

The original idea for this expropriation of the fathers has been traced by J. B. Matthews, former radical leader, in a new book, "Odyssey of a Fellow Traveler." It all started with a speech by Bolshevik Georgi Dimitroff at the seventh World Congress of the Communist International in Moscow, in which he gave this advice to delegates from non-Communist nations:

Comrades, proletarian internationalism must, so to speak, acclimatize itself in each country in order to sink deep roots in its native land.

Very simple

TO RESTORE prosperity, Dr. Isadore Lubin of the U. S. Labor Department told the Monopoly Investigating Committee, it is necessary only to increase the income of 16,000,000 American families by \$2.25 a day. Why stop at \$2.25? Make it \$5.00—and everyone a plutocrat.

Apologist for Franklin

WE HAVE a crow to pick with Benjamin Franklin's latest biographer, Carl Van Doren. A fine work in many respects, we thought, but it seems that Mr. Van Doren felt his biographical mission was to rescue Franklin's name from the time-honored reputation it has acquired for thrift and prudence.

And so, to "give him back in his grand dimensions to his nation and the world," this diligent chronicler has tried to prove that Ben was neither thrifty nor prudent.

A strange notion, this, that thrift and prudence detract from a great man's stature. When it is taught in

all our schools and colleges we wonder if the sophisticates won't also try to reverse the laws of mathematics and debunk the maxims of the ages. Perhaps before long we may expect to see literary delvers giving Lincoln back to the country without his "bourgeois" traits of kindness and tolerance.

Europe has them, too

WHAT DOES the National Youth Administration mean by its West Virginia project for training girls in "a group living plan on a cooperative basis?"

We've always had a notion that home and school were pretty good places to train girls and boys in living. Both are sufficiently cooperative, they inculcate discipline, they school youth in the verities. They do not—or at least should not—teach the principles of collectivism, and that no doubt is a drawback in the minds of those who do the thinking for N.Y.A.

SOS for pantskies

WHILE THE censors were nodding, a curious disclosure leaked out of Russia recently. It reported an acute shortage of diapers in the U.S.S.R., a most heretical dispatch, since there is not supposed to be a shortage of anything but Trotskyites in that happy land.

The incident inspired a Californian, Ed Ainsworth, to write a consolatory message to Joseph Stalin, in which he said:

Comrade, you are up against it! You can kill generals, liquidate politicians, exterminate peasants. But no dictator can stand before the fiery anger of mothers who have babies with chapped rumps. The bare clothesline is the symbol of national revolt. A stork without three-cornered pants is the harbinger of dictatorial doom.

Robbing Peter thrifty to pay Paul thriftless

ONE of our subscribers inquired recently about annuities from a well known insurance company. He wanted to know what deposit is necessary under an annuity contract providing a monthly income of \$100 after age 60, and was told the amount is \$16,970. Curious, he compared this figure with prevailing quotations for the same age several years ago. It has increased from \$14,990.

Shall we call it another case of government competition? It would seem that the Government's preoccupation with security for some of its citizens has had the net effect of raising the cost of \$100-a-month security for others of its citizens by approximately \$2,000.

Over 1,000 DODGE TRUCKS Win Steady Jobs Hauling Texaco Oil Products



FOR 1939...DODGE LEADS THE LOW-PRICE FIELD WITH 5 VITAL ADVANTAGES

7 "Truck-Built" DODGE ENGINES for 1939

So Each Dodge Truck Has An Engine To Exactly Fit Its Hauling Capacity See and try the new low-priced Dodge. Its brilliant performance is a revelation! Its extra quality means extra-long life, low upkeep. Full line, ½ to 3-ton, with 161 separate model and wheelbase combinations, and all give you 5 vital money-saving advantages.

① **7 ENGINES**—The Dodge 6-cylinder L-head engine is a truly brilliant engineering achievement—simplest in design...yet has 11 special features to save gas, oil, upkeep. There are 7 different Dodge truck engines, so each truck has an engine of exactly the right power to suit its hauling capacity.

② **BONDERIZING**—Dodge Truck cabs, bodies, all sheet metal now completely rust-proofed in huge new processing equipment in Dodge's giant

truck plant. Preserves the metal, saves upkeep, increases trade-in value.

③ **AMOLA STEEL**—This new super-tough steel is used in springs, axle shafts and other vital parts to insure longer life and save costly repairs.

④ **STYLING**—1939 Dodge Trucks are unquestionably the leaders in advanced streamlined styling. But Dodge styling and designing goes far beyond mere appearance, gives you cabs that are luxuriously comfortable, modern load distribution that saves tires and makes handling easier, and other important money-saving advantages.

⑤ **BRAKES**—Dodge genuine hydraulic brakes save on tires, brake lining and adjusting. Completely hydraulic, fully equalized. Their superiority is so obvious just one stop will convince you.

FOR 1939...DODGE OFFERS A FULL LINE OF ½, ¾, 1, 1½, 2, 3-TON TRUCKS

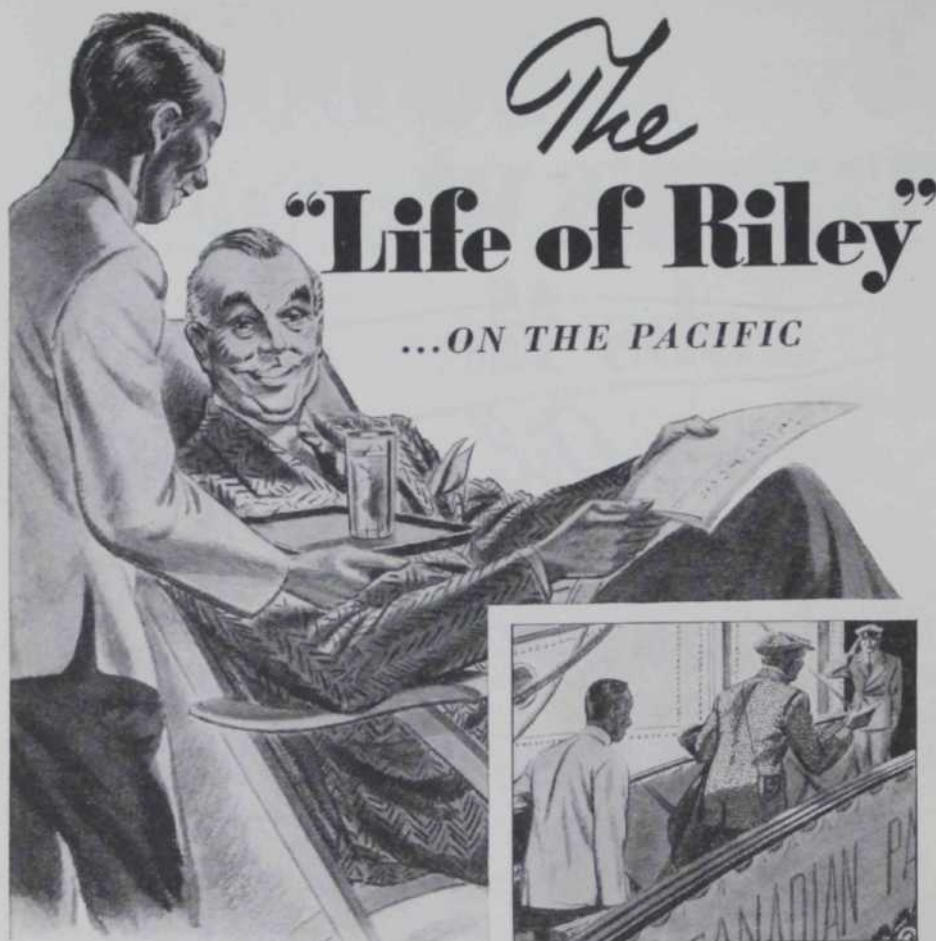
**TAKE A TEST.
THAT'S ALL DODGE ASKS!**

COMPARE PRICES!
You'll find Dodge, with all its extra quality, now priced with the lowest!

\$465 ½-Ton, 116" W.B. Chassis—delivered at Detroit, complete with double-acting shock absorbers, spare tire and all standard equipment. Price includes Federal tax, Transportation, State and local taxes (if any), extra.

\$590 1½-Ton, 133" W.B. Chassis—delivered at Detroit, complete with all standard equipment. Price includes Federal taxes, Transportation, State and local taxes (if any), extra.

EASY BUDGET TERMS!



To "Riley" making his 38th crossing, as to other Orient "commuters," one thing is clear...the four snow-white *Empresses* offer a service unsurpassed in western waters. Frequent sailings from Vancouver and Victoria...or connect at Honolulu from California. Full details from *your travel agent* or any Canadian Pacific office in the United States and Canada.

Canadian Pacific

Since 1886...SERVICE on the Pacific

**HAWAII • JAPAN
CHINA • MANILA**



Empress of Japan...largest, fastest liner on the Pacific. All-expense tours by *Empress* to Hawaii, from \$247.85 up Tourist Class.



1. "When I stride up the gangplank of an *Empress*, it's like a visit home. This line certainly knows its hospitality!"



2. "Why, aboard these ships I just *wish* for something and it's done. My cabin "boy" is certainly a genius...or a genie!"



3. "I say go *Empress* across the Pacific. Yes, sir! When they make that call at Hawaii, I get a holiday in paradise!"

Index of ADVERTISERS

February • 1939

	Page
A. P. W. Paper Company	76
Addressograph-Multigraph Corporation	45
Aluminum Company of America	3rd Cov.
American Credit Indemnity Co. of N. Y.	69
American Sales Book Company, Inc.	74
American Telephone & Telegraph Co.	2nd Cov.-47
American Tobacco Company	4th Cov.
Armstrong Cork Company	65
Association of American Railroads	57
Babson Institute	74
Bank of America National Trust & Savings Association	3
Bank of New York	53
Blaw-Knox Company	72
Burroughs Adding Machine Company	35
Canadian Pacific	89
Cast Iron Pipe Research Assn.	8
Chesapeake & Ohio Lines	11
Chevrolet Motor	41
Commercial Credit Company	71
Curtis Publishing Company	42-43
Detex Watchclock Corporation	66
Dodge Brothers Corporation	79
Fairbanks, Morse & Company	2
Felt & Tarrant Manufacturing Co.	39
Goodyear Tire & Rubber Company	14
Graff, Geo. B. Company	78
Hartford Steam Boiler Insp. & Ins. Co.	9
Household Finance Corporation	13
International Business Machines Corp.	16
Kimberly-Clark Corporation	49, 50, 68
LaSalle Extension University	76
Lennox Hotel	78
Lumbermens Mutual Casualty Co.	61
Mayfair Hotel	74
Metropolitan Life Insurance Co.	37
Monroe Calculating Machine Co.	6
National Board of Fire Underwriters	10
Nation's Business	75
Newark, Industrial Commission of the City of	77
Norfolk & Western Railway Company	7
Plymouth Motor Corporation	1
Postage Meter Company, The	64
Prudential Insurance Company	70
Remington Rand, Inc.	63
Sealtest, Incorporated	81
Smith, L. C. & Corona Typewriters	73
Texas Company, The	12
Underwood Elliott Fisher Company	67
United States Building & Loan League	69
Western Electric Company	82
Woodstock Typewriter Company	76



The Most Dangerous Job in the World!

The most dangerous job in the world is being a baby. But thanks to laboratories and scientists and other factors, that risk is being reduced every day. Thirty-five years ago, 138 out of every 1000 babies did not survive their first year. Today that figure has been reduced to 55 out of every 1000.

The Sealtest System of Laboratory Protection is playing a part in this crusade to *make life safer for babies.*

Because baby's life depends upon milk . . . pure, wholesome milk. And the Sealtest System is devoted to improving the quality and safe-

guarding the purity of this vital food.

In this great work, Sealtest maintains 100 laboratories. It employs leading food scientists and scores of laboratory workers.

In the plants of local member-companies, Sealtest representatives inspect every process. They make many tests and checks to make sure that every bottle of Sealtest Approved milk meets Sealtest standards of quality and purity.

Millions of housewives look for the red-and-white Sealtest Symbol when they buy milk, ice cream and other dairy products . . . as an added assurance of good health.



Making Life Safer

The red-and-white Sealtest Symbol on milk, ice cream and other dairy products means that they meet Sealtest standards of quality and purity.

THE SEALTEST SYSTEM OF LABORATORY PROTECTION AND ITS MEMBER-COMPANIES ARE DIVISIONS OF NATIONAL DAIRY PRODUCTS CORPORATION

Copyright 1939, Sealtest, Inc.

Psychoanalysis

Osteomyelitis

Certiorari

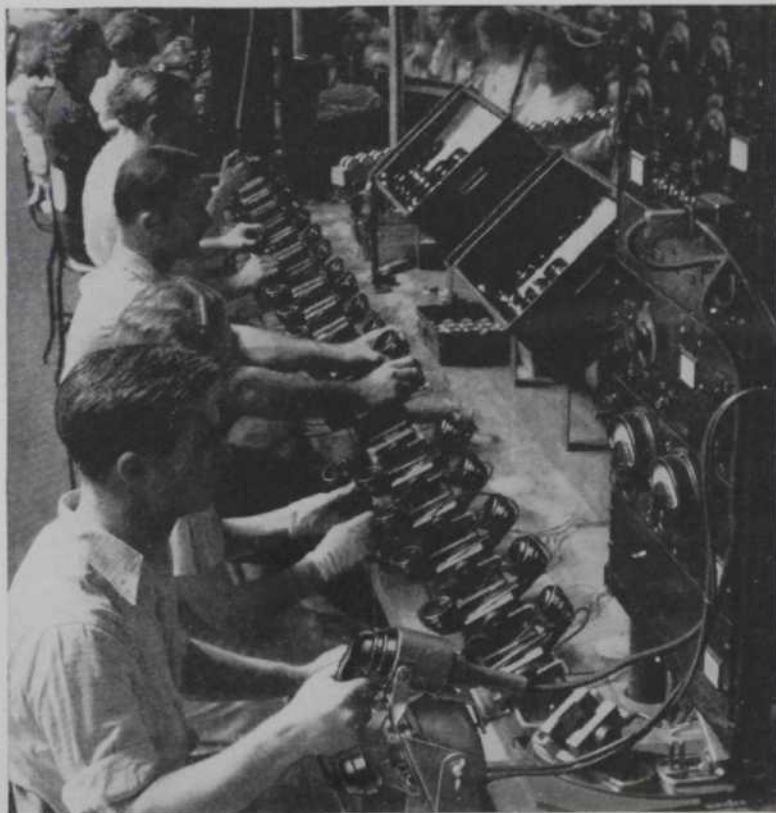


Even these jaw-breakers get through

—because telephone tests at Western Electric made sure of it

Your Bell telephone will transmit clearly any spoken word, be it short or long. For it represents not only skillful design by Bell Telephone Laboratories, but skillful construction by Western Electric—manufacturing unit of the Bell System.

Every telephone made at Western Electric must pass an electrical test to prove its capacity to faithfully transmit the human voice. This is one of hundreds of tests which your telephone undergoes before it is deemed fit to serve you.



Western Electric

... made your
BELL TELEPHONE



HOW TO PACKAGE COLD WATER IN CUBES

You do it at home every day.

That makes you, personally, both a food packer and a thermal engineer.

The engineering problem is to get heat out of the water quickly; the food problem is to be sure of cleanliness and purity.

The man who designed your refrigerator solved both problems for you very nicely by making your ice cube trays and grids out of an alloy of Alcoa Aluminum.

Point one: Aluminum is a *very* superior conductor of heat.

Point two: Aluminum is friendly to food; it is non-toxic, resistant to corrosion, easy to keep clean.

Your ice cube tray made of Aluminum is, in engineering parlance, a highly efficient heat exchange device operating under strict chemical and sanitary specifications.

A similar problem in your business may well have the same solution: one of the many alloys of Alcoa Aluminum.

The cost will be reasonable. Aluminum itself is not expensive. It is easy to fabricate and light to handle. Furthermore it is easy to get started by asking for the suggestions of one of our experienced engineers. ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh, Pennsylvania.



ALCOA · ALUMINUM

Wizard AT JUDGING TOBACCO

WITNESSED STATEMENT SERIES:

"JIMMY" HICKS has auctioned tobacco for 21 years. "Luckies," he says, "have always bought fine tobacco of good color and texture. So I've smoked Luckies for 14 years." Most other independent tobacco experts also smoke Luckies!

Have you tried a Lucky lately?..

Tobacco crops in recent years have been outstanding. New methods, sponsored by the United States Government and the States, have helped the farmer grow finer cigarette tobacco. Now, as independent tobacco experts like "Jimmy" Hicks point out to you, Luckies have been buying the cream of these finer crops. And so Luckies are better than ever. Have you tried a Lucky lately? Try them for a week. Then you'll know why . . . **WITH MEN WHO KNOW TOBACCO BEST—IT'S LUCKIES 2 TO 1**

Copyright 1938, The American Tobacco Company



Easy on Your Throat—
Because "IT'S TOASTED"